The Financial Times, July 28, 1971

FINANCIAL TIMES

No. 25,516 Wednesday July 28 1971 ** 6p

News Summary

GENERAL

Apollo flies on; fault is minor

A perfect test burn of Apollo 15's main engine yesterday dispelled fears that the moon landing mission would have to be abandoned because of an electrical fault.

The test—undertaken just after Apollo passed the half-way mark to the moon—confirmed that the fault, a short circuit in part of the fuel pressure system, was minor and did not affect a bank of vital valves controlling fuel flow to the main engine.

Had these been affected, Endeavour and Falcon—the command and lunar modules—would have had to stay joined for a loop round the moon and immediate return to earth. The fault was discovered soon after trans-lunar insertion on Monday and was thought to have been cured. However, it reappeared a few hours later.

Yesterday's test burn lasted for only one second, after which astronauts Scott, Worden and Allen were cleared to proceed with the full mission. They are to enter moon orbit to-morrow.

Russia reported all was well on board two five-ton space robots, Mars 2 and Mars 3, which may try to soft land and search for life on the red planet, where they are due to arrive in November.

'Open war' with IRA—Maudling

There is now "open war" between the IRA and security forces and the Army will stay in Ulster for as long, and in whatever strength, as necessary to crush the terrorists, declared Home Secretary Maudling in an interview published in Belfast. Page 21

Dublin swoop

Detectives raided the homes of several known Republicans in Dublin following discovery of incendiary devices in a British Rail parking compound and in BOAC's offices in the city. No arrests were made.

Irish Republic's Army Chief-of-Staff, Maj.-Gen. Patrick Delaney, died suddenly aged 54.

Rain forces draw in first Test

Rain forced a premature halt in the first Test at Lords with India at 145 for eight and needing 38 to pass England's two-innings total of 483. The rain almost certainly robbed England of a win, but a draw was probably the fairest result, writes Trevor Bailey. Page 12

Jailed for life

A 19-year-old Exeter youth was jailed for life at Hertford for attempting to murder two policemen. He was involved in a chase by police while he was armed with two automatic pistols and a revolver.

Briefly . . .

Boxing: The next Muhammad Ali-Joe Frazier bout will be "a million dollar fight," opined former sparring partner Jimmy Ellis after his defeat by Ali in Houston. The fight was stopped in the final round.

Joe Robinson, 63, host of BBC radio's music series "Melodies for You," and "Music Club," was under observation at a London hospital after collapsing while recording a programme.

Reports that the Green Cross Code for child pedestrian safety is considered a "flop" and is to be abandoned were denied by the Environment Department.

£1,000 Premium Bond prize winners' names will be kept confidential, promised the National Savings Department.

Most cross-Channel services operated by the French railways are expected to return to normal to-night following a 24-hour strike by ships' officers.

A London doctor was cleared by the General Medical Council of canvassing for abortion patients. A taxi driver had said he was paid up to £40 a time to bring girls to the doctor's surgery.

A refrigerated lorry carrying 400 ...ea of steak worth about ...000 was stolen in London's Smithfield Market.

BUSINESS

Equities' new 1971 peaks

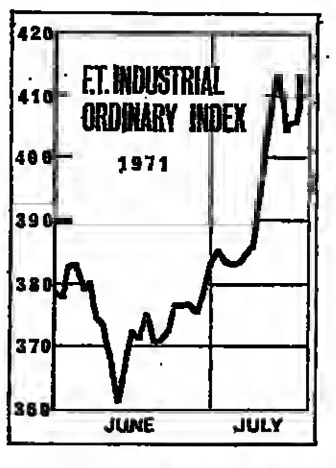
● LONDON EQUITIES met with bigger buying. The index rose 5.2 to a new 1971 peak, 413.2.

● GILTS were quieter. Mediums and longs were up ¼ higher.

● THE £ lost $\frac{3}{16}$c at 2.41\frac{13}{16}$.

● WALL STREET'S index ended 8.17 down at 880.99. Uncertainty was enhanced by the rail and steel disputes.

● DEMAND FOR EQUITY leaders in London yesterday often found the market short of stock. Prices closed at or near the day's best—which the FT Industrial Ordinary index reflected with a rise of 5.2 to a new peak for 1971 of 413.2. The FT-Actuaries All-Share index went to a new all-time high with a rise of 1.3 per cent. at 183.66. Bid situations and trading statements provided features in second-line shares: the rises-to-falls ratio in all FT-quoted Industrials was 2:1. Dealings, at 12,897, were fewer than Monday, and secured to understate the activity.



● THE CBI PRICE RESTRAINT action can succeed only with greater growth in the economy—for which the Government has taken steps—and with recognition by the trade unions of the second condition, more moderate pay claims and settlements, said CBI president Sir John Partridge yesterday. In the Commons Chancellor Barber welcomed the CBI's move and the State industries' response. Back Page; Pages 8 and 10

Call for aid to shipyards

● CALL FOR GOVERNMENT support for the shipyards is made by the Shipbuilders and Repairers National Association, to enable them to compete with nations where State aid is available in various forms. The Association's second-quarter figures show that of British yards' orders totalling 745,000 gross tons all but 100,000 were due to Shell's contract to Harland and Wolff for five supertankers. Back Page and Page 16

● THE CONCORDE BUILDERS, British Aircraft Corporation and Aerospatiale (of France) are negotiating draft contract clauses for sales to BOAC and Air France—the start of the final phase. BAC hopes contracts for the first production aircraft would be signed by the year-end. But BOAC says there is no commitment on either side. Page 29

● CHANCES OF LOCKHEED Aircraft's $250m. loan guarantees being approved by Congress before the British Government's August 6 deadline are now waning, to judge from statements by both sides in the U.S. Senate. The British Government might be ready to postpone the deadline but new talks with British officials would be needed. Page 5

COMPANIES

● NATIONAL WESTMINSTER Bank raises the interim to 8¼ per cent. (7¼); first-half pre-tax profit is £38.1m. (£33.8m.). Page 19; Lex

● DRAKES, investment concern of which Mr. Christopher Selmes (27) is chief executive, is making a £3.6m. bid for Norvic, shoe makers and sellers. Norvic directors are likely to be cool to the offer. Drakes hold nearly 20 per cent. of Norvic shares. Back Page

Holiday complaints: Inquiry set up by travel industry

BY ARTHUR SANDLES

A Commission of Inquiry with powers to recommend reprimands, fines or dismissal from the Association of British Travel Agents has been set up by the Association. It is to investigate the recent flow of complaints about U.K. tour operators.

The commission, which will include no outsiders, has been given the task of finding out "whether any ABTA member has infringed the Association's code of conduct and to make recommendations to the ABTA council."

Madrid talks

This follows the fixing of an appointment for to-morrow morning when several tour operators will meet senior officials from the Ministry of Tourism in Madrid. At the heart of this meeting will be who is to blame for over-booking at Spanish hotels and U.K. tourists still under construction.

Membership of ABTA is an essential to business operation in the travel fields. By and large members will not handle non-member traffic. The rules allow for fines without limit for infringement of the "code" with the alternatives of reprimands, suspension from membership and the unlikely finality of expulsion.

The commission will be a three-man team headed by Mr. Peter Eglington, the ABTA deputy chairman. Mr. Bob Waller, the chairman, said last night: "We want to be able to prove that the allegations that have been made are not necessarily true."

ABTA includes both tour operators like Clarksons, Thomsons, Horizon, Global, Cosmos and Lunn-Poly as well as travel agents (the retail side). In the past year or so there has been a measure of animosity between the two factions which at one stage threatened to break up the organisation.

The tour operators also have their own "club," the Tour Operators Study Group, whose 21 members account for 90 per cent. of U.K. package tour business. Mr. Harry Chandler, its chairman, will be going to Madrid to-night. "We are not saying that we are whiter than white," said Mr. Chandler. "But we are saying it is not all our fault. We want to get things sorted out."

The Spanish National Tourist Office in London expressed some interest in the fact that, although there had been many accusations about Spanish hoteliers, not one official complaint about over-booking had been lodged in Madrid. "There are no complaints against hoteliers outstanding at the moment," said the Tourist Office.

I understand, however, that at least one operator has a complaint lodged on a local basis in the Balearics. "There is no point in going to Madrid unless you cannot get satisfaction locally."

Double booking

The recent troubles have been sparked off mainly by the double booking of a party of British Clarksons passengers, who arrived to find their beds in Benidorm occupied by Germans. The British were taken to another hotel 30 miles away.

Clarksons has also been involved in problems with the cruise ship Delphi. Last night the tour operator rejected comments recorded by the Press Association Foreign Editor and published by some U.K. papers. "We are very surprised to read the exaggerated statements.

"His opinions do not represent the opinions of the vast majority of our clients on the Delphi's second cruise given to our general cruising manager and company representative on return flights.

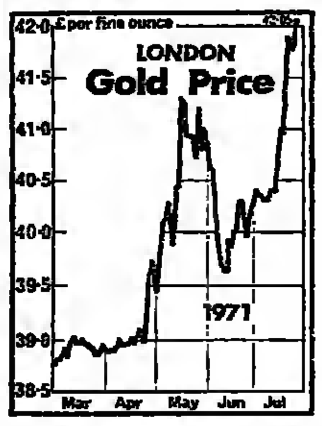
The Delphi is the ship from

Continued on Back Page
See Men and Matters Page 16

Gold at 2-year high in London

By William Keegan, Economics Correspondent

FOR the first time in over two years the price of gold rose above $42 an ounce in the London market yesterday. After being fixed at $41.90 in the afternoon—7½ cents lower than in the morning—the price rose again in close



in the range $41.95 to $42.15 an ounce.

Business in the market was not particularly heavy and there was some industrial demand from Europe pushing the price up. But the main influence on the price is the revival of speculative activity in the market, which has led to an increase of $1¼ in the past 10 days.

The main factor behind this speculation is the continued weakness of the U.S. balance of payments; further attention had been drawn to this on Monday by the announcement in Washington that the U.S. gold stock fell by a further $61m. in June, and that total U.S. monetary reserves had fallen by $298m. in that month, to $13,504m., the lowest level for 33 years.

Also on Monday had come the news that the Swiss Central Bank recently purchased $50m. worth of gold, from an unnamed source.

The London gold price last touched $42 an ounce in July, 1969. Its high point was the $43.825, reached in March, 1969, and the low point of $34.75 was touched in January, 1970. This year the price has been climbing from about $37.50 at the turn of the year, with a temporary reversal of the trend between mid-May and mid-June.

Our Paris Correspondent writes: The Paris gold price reached its highest levels since 1969, with the 12-kilogramme bar closing at the equivalent of $42.13 an ounce.

Joseph group not bidding for Cunard

BY SANDY McLACHLAN

THE CUNARD chairman, Sir Basil Smallpeice, yesterday broke his silence on the Trafalgar House bid and promised that the Board's official rejection of the bid would be posted to shareholders on Friday. Sir Basil has been criticised for leaving shareholders so long in the dark as to the Cunard stand on the Trafalgar offer.

Yesterday, he commented: "I know that some people may be puzzled at my alleged silence on the subject of the Trafalgar House bid. This is in a way understandable." Sir Basil added that he had already issued several statements, one of which was directly to shareholders advising them to take no action until they received the advice of the whole Cunard Board.

"Our concern"

On the activities of Mr. Maxwell Joseph and Mr. Donald Forrester, who have been far from silent on Trafalgar offer, Sir Basil commented: "I think it should be remembered that, although Mr. Joseph and Mr. Forrester have made statements in their own personal capacities, I cannot, as chairman of the Cunard Board, give my own personal opinions, but I can only say what I know reflects the consensus of views held by the other advisers. Our concern throughout has been the best interests of our stockholders."

Meanwhile the Cunard situation became more rather than less confused yesterday when Mr. Maxwell Joseph said that there was no possibility of a syndicate bid for Cunard. This is a swift change of heart from Monday, when Mr. Joseph mentioned the possibility that he and Mr. Forrester might form a consortium to make a counter bid against the Trafalgar offer.

Mr. Joseph made it clear yesterday that, while a loose syndicate exists to buy shares in Cunard to block the offer of 20... a share, which is the current level of the Trafalgar offer, it is considered far too low by both Mr. Joseph and Mr. Forrester, the intentions did not stretch any further than that.

Cunard shares fell 10p yesterday to 202p.

Sir Henry Johnson to head MEPC

BY SANDY McLACHLAN

THE NEW CHAIRMAN of Metropolitan Estate and Property Corporation is to be Sir Henry Johnson, who retires as chairman of British Rail in September when he will be 65. From October 1, he will replace the retiring MEPC chairman, Sir Charles Hardie.

The decision to appoint a non-property man to the chairmanship reflects the view firmly held in the MEPC boardroom that an outside non-executive chairman is necessary to balance the other property directors.


Sir Henry Johnson

Sir Henry, who has been a railwayman all his life since he joined the LNER in 1923, has a limited property experience. A British Rail spokesman said yesterday that Sir Henry is chairman of the British Rail Property Board, where he has played an active part in the change of policy from sales of surplus land to retaining an interest in their redevelopment.

With the announcement of Sir Henry's appointment came news of two other appointments aimed at strengthening the MEPC Board. Mr. Peter Anker, 41-year-old president of MEPC Canadian Properties, and Mr. Maxwell Creasey, 48, currently assistant managing director, have been appointed deputy managing directors. Mr. Dick Sheppard is to continue as managing director.

Men and Matters, Page 16

Curbs on London airports follow Foulness go-ahead

BY RAY DAFTER

THE GOVERNMENT is applying a brake on the development of Heathrow and Gatwick airports, London, and is considering the possible closure of Stansted and the run-down of Luton as a result of its policy to go ahead with the third London airport at Foulness.

The decisions, announced yesterday by Mr. Michael Noble, Minister for Trade, indicate the Government's belief that Foulness eventually will become London's major international airport. Obviously influenced by environmental problems, the Government is anxious to alleviate the effect of noise and pollution on people living near existing terminals.

New capacity

"When the third London airport becomes operational the new capacity can be used so as to give the maximum benefit to those around existing airports who suffer from noise, as well as providing for the future growth in air traffic in the region after 1980," Mr. Noble said in answer to a written Parliamentary question.

The Government recognises that investment will be necessary to improve facilities for the growing number of passengers at existing airports up to 1980 when the first Foulness runway is due to become operational.

But it does not think it will be necessary to build new runways at Heathrow, Gatwick, Luton or Stansted in the foreseeable future. The safeguarding of the line of the possible second runway at Gatwick is to be abandoned.

While the Government thinks Heathrow and Gatwick will continue as major airports serving the London area "for the foreseeable future," it expects it will be possible after 1980 to impose stricter limits on air traffic movements and to apply other restraints to reduce the impact of noise.

Mr. Noble said it was also foreseen that Stansted could be eventually dispensed with as a public transport airport and possibly closed altogether when Foulness became operational.

The Government did not see a need for Luton to continue as a major public transport airport serving London once Foulness was available. Mr. Noble said powers contained in the Civil Aviation Bill would be used to restrict severely the hours and routings which might be used by public transport aircraft at Luton.

"It will then be for the airport management and the airline operators to consider whether movement facilities then remaining at Luton would be sufficient to justify keeping the airport in use for public transport."

The statement is significant because it underlines the Government's intention to pay more attention to environmental issues even if they conflict with the wishes of commercial undertakings. The announcement took the airlines and the British Airports Authority by surprise.

The BAA last night regretted there was no consultation with the Government on an issue which fundamentally changed the tasks of the authority.

Although Mr. Noble said the Government recognised the need to provide for the development of civil aviation and to maintain Britain's share in the international field, the proposed restrictions would act to the contrary, said a BAA spokesman.

Criticism

The restraints proposed after 1980 would inhibit investment on airport projects in the meantime, creating congestion and affecting the standard of services.

Caledonian/BUA, the second force airline and largest user of Gatwick, said that it believed the Government's desire to continue to provide for the development of civil aviation would be frustrated by the proposals.

It added: "In the past, forecasts for traffic growth at airports have consistently proved to be too low. The Minister has obviously been advised that Catwick and Heathrow can contain traffic expansion between now and 1980. We believe that the planners are wrong, that history will repeat itself and that growth will overtake airport capacity well before 1980."

Malta is demanding "at least £30m."

By John Bourne

MR. DOM MINTOFF, Malta's Prime Minister, has asked for "at least £30m. a year" for the use of his island's military facilities.

It is reliably understood that this was the estimate which Lord Carrington, Defence Secretary, brought back to London after his abortive talks last week with Mr. Mintoff. The figure is far in excess of the sums—mostly in the region of £20m.—suggested in earlier reports from Malta. At the moment Britain pays Malta £5m. a year.

In the Commons last night Lord Balniel, Lord Carrington's junior Minister of State, said the difference between the British and Maltese approach to the financial question was "very wide indeed."

Cost-sharing method Page 17

Anti-Market junior Minister may resign to-day

BY JOHN BOURNE, LOBBY EDITOR

A JUNIOR Minister is expected to resign from the Government —the first since Mr. Heath came to power—because of the Common Market.

Barring any last minute moves to prevent him, Mr. Edward Taylor, 34, Parliamentary Secretary for Health and Education at the Scottish Office, is understood to have decided to resign from his post to-day. Last night he refused to comment.

Delayed

Mr. Taylor has been an anti-Marketeer for some time, but he has waited until the end of the Commons' "take note" debate on the Government's White Paper setting out the entry terms before making up his mind.

Meanwhile, there is evidence that the Prime Minister is annoyed that he did not follow his first inclinations and have the Commons take its decisive vote on the terms at the end of the debate on Monday, instead of postponing the issue until the autumn. He now believes that if there had been a quick vote the country and the EEC would have been saved months of uncertainty, and also the spectacle of a Labour Opposition tearing itself in two.

Mr. Heath is still determined to have a three-line Government whip on Conservative MPs in the autumn. He believes a "free vote" would result in a lower majority for entry, because some MPs would take the easy way out and stay away from Westminster during the vote.

With a three-line whip, and the help of some Labour pro-Marketeers, Mr. Heath expects a majority of 50 or more for the terms. He is convinced that with public opinion now beginning to swing in favour of entry, Tory anti-Marketeers will come under increasing pressure from their constituency associations to support the Government.

Lords' debate Pages 8 and Back

ON OTHER PAGES

PERU

To-day's issue contains four pages (22-25) on Peru.

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

...alite	75	+ 7½
...lia TV "A"	127	+ 21
... & Com. Shpg.	225	+ 13
...kes	190	+ 6
...ilbride Dry. Fmrs.	70	+ 12
...ness Withy	317	+ 11
...	160	+ 6½
...lm	48	+ 6
...lys	135	+ 8
...s & Hill	106½	+ 12½
ICI	328	+ 10
Jessel Trust	240	+ 15
Kennings	98	+ 9½
Kinloch	375	+ 11
Magnet Joinery	335	+ 12
Midland Bank	549	+ 19
Nat. Westminster Bk.	625	+ 13
Pearson (S.)	245	+ 8
P. & O. Dfd.	174	+ 6
Rothschild Invst. Tst.	478	+ 16
Royal Insurance	402	+ 11
Triplex Foundries	73	+ 7
Turner & Newall	154	+ 8
Unilever	327	+ 7
Wolf Tools	87	+ 7
Shell Transport	424	+ 7
Woodside Oil	61	+ 6
General Mining	990	+ 15
Lonrho	88	+ 6
Messina	266	+ 8
Poseidon	£12	+ 1
Winkelhaak	166	+ 10

FALLS

Cunard	202	− 10
Doxford & Sundrlnd.	38	− 5
Herbert (A.)	48	− 4
Int. Computers	110	− 5
Shpng. & Industrial	252	− 14
Turriff Constrn.	55	− 7
Tara Exploration	730	− 20
Whim Creek	184	− 10

U.K. DAILY STOCK INDICES

FINANCIAL TIMES

	July 27	July 26	Yr. ago
Govt. Secs.	74.61	74.61	69.87
Fixed Interest	74.33	74.26	71.00
Industrial Ord.	413.2	408.0	340.9
Gold Mines	55.5	54.7	49.6
Ord. Div. Yield	3.66	3.71	4.92
Earnings Yield	5.69	5.76	6.72
P/E Ratio	17.57	17.36	14.82
Dealings marked	12,897	14,229	7,684

Industrial Ord. (noon) 412.9

For latest share index phone (01)-246 8026

F.T.-ACTUARIES

	July 27	July 26	Yr. ago
Industrial Group	178.96	158.69	—
500 Share	187.27	184.87	133.48
Div. yield pc	3.54	3.58	4.83
P/E Ratio	18.34	78.00	13.74
All Share	183.66	181.30	127.34
Consols yield pc	9.22	9.22	9.27

ANNUAL STATEMENTS

Chesterfield Properties	15
Intercom	6
Allan Kennedy	10
London and Overseas Freighters	19
Milk Marketing Board	5
Moorgate Investment Company	18
National Carbonising	9
Sir Lindsay Parkinson	18
Russell Brothers (Paddington)	2
Schering AG	10
Trustees Corporation	10

INTERIM STATEMENT

Dalton Barton and Co.	20

THE £ ABROAD

—	Close July 27	Close Previous
New York (Spot)	$2.4178-4181	$2.4176-4175
Do. (1 month)	0.08-0.06 dis	0.11-0.09 dis
Do. (3 months)	0.37-0.34 dis	0.45-0.42 dis
Do. (12 months)	2.52-2.46 dis	2.55-2.45 dis

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Management education · Conferences and exhibitions

Sir.—Michael Dixon's article anagement education is lly managed) offered a timely 1 thought-provoking contribu- n to the current debate on this ic. I would like to offer two servations on it. First, I think need much more research dence as to the effectiveness different approaches to man- ement education than has been ilable hitherto before any re far-reaching policy isions are made in this field. condly, as far as post-experi- e education is concerned ely the only valid test of its ectiveness is the market place bose centres which are most cessful in meeting the needs industry and commerce should the ones to prosper. In the lependent sector all we ask is opportunity to compete on el terms with the Universi- s.

J. Sadler,
incipal,
bridge Management College,
rkhamsted,
rtfordshire.

Professional institutions

Sir,—I would like to refute somewhat sweeping title lanagement education is badly inaged" under which Michael xon's excellent article on the ren Report appeared. Both the port and the article, whilst inting an accusing finger at universities, further educa- n and private sector, over- k the considerable part yed by the professional stitutions in management ucation.

I would suggest that this sector management education pro- les an efficient and economical rvice without recourse to vernment funds, which allied membership of a professional titution, ensures that the all portant practical aspect of inagement is not forgotten. inagement is about people, d classroom theory, while pro- ling the background, can be substitute for practical plication. It is in this context at management is in conflict th the management teachers, io are possibly prone to a too ademic approach to manage- ent education.

The Institution of Works inagers has and is continuing break down this attitude by suring that on drawing up llabuses for its Diploma and rtificate Courses, there is a ial involvement by both sides. It is however, for considera- on and one with which this stitution is in full agreement, at there should be one vernment department respon- sible for management education in all its facets, as opposed to the present hotch-potch.

R. T. Brett,
General Secretary,
Institution of Works Managers.
34 Bloomsbury Way, W.C.1.

Objective criteria

Sir,—Thanks for your Education correspondent's accurate and perceptive article (Executive's World, July 23).

If public and industry money is needed for promoting management development it should be on the basis of objective criteria uninfluenced by the attitudes of self-interest which the article correctly diagnoses.

In its present form the Department of Employment would be the correct channel for such aid, as Michael Dixon suggests. But what a comedown for academic and professional respectability! However sensible, do you really think this could happen?

D. H. Bramley,
Director.
GKN Forgings.
P.O. Box No. 4.
Bromsgrove, Worcestershire.

Inventory management

Sir,—I applaud the views expressed by Messrs. Tugendbat and Kennaway, in their article, in the Executive World of July 23, recommending organisational improvements while these can be achieved due to easing of pressure normally experienced. I have been advocating these steps for a *considerable period,* but I deplore the serious omission of inventory management in the list of priorities, which requires far greater concentration of effort, than it receives. This may be due to the "nitty gritty" attention to detail and hard thinking required, which few organisations are prepared to devote to it. The other—and perhaps more fundamental — reason, is the wrong philosophy on productivity. Higher productivity, must be defined, as the creation of greater wealth from existing assets, in whatever form these exist, not the narrow one, embracing only machines and personnel. Extremely wide experience, has proved that the return on investment in improving manufacturing methods, is low, when compared to a similar outlay, spent on improving inventory management. This applies to most British companies and they would be well advised to apply a sound investment criterion, so vital for increased productivity. (*Any investigation* of this nature must be treated as investment, but is treated as revenue expenditure for tax purposes.)

This attitude is a natural result of the post-war concentration on improving manufacturing techniques. It is extremely rare to find a breakeven point of a year—or less—when investing to increase output from existing—or new—facilities, yet precisely this or better returns are available, by concentrating on improved inventory management. The holding costs total 20-25 per cent., when including interest charges, storage cost, obsolescence, etc.—a rarely realised fact, yet illustrated painfully most days in your pages—in company statements.

The achievable impact—through a hardnosed investigation, expertly conducted and examining all facets impinging on this problem—on greater liquidity and profits, are enormous. Once accomplished—and this will require considerable attention to communication barriers—ratios must be created, to perpetuate these achievements. One final warning, let no one believe, that a computer is the answer to this problem. A first-class manual system must precede computerisation—any other approach courts disaster.

C. P. Morton (FIProdE MBIM).
142, Arkwrights,
Harlow, Essex.

Conferences in London

Sir, — Having but very recently attended a most successful international conference held *in* one of the *many* halls of the Palais des Congres at Brussels, each with its own apparatus for simultaneous translation, etc., I am painfully aware that London is not in the running for this kind of venture for which there is an international trade association without a single British name on it.

Surely we have in the Liverpool Street station/Broad Street station complex a marvellous natural site for this kind of purpose screaming for redevelopment. Liverpool Street station lies in effect in a valley, the neighbouring goods yards are derelict wreckages of war damage and the Gt. Eastern Hotel, though well run within the limits of the antique facilities, cries out for rebuilding. The total area of the site would offer more than adequate facilities for suitable buildings with service right in the heart of the City alongside the new hotel and at the end of a railway line by means of which thousands of foreign visitors can or do reach the heart of the City. For example, into Harwich come not only boats from the Hook of Holland but also from Esbjerg in Denmark, and in addition Southend Airport uses at present Rochford station for conveying airline passengers up to Liverpool Street. (I have never understood why, since the railway line crosses the corner of Southend Airport, there is not at least a halt in the aerodrome grounds which would avoid the need for many passengers from Southend Airport having to be conveyed to and from Rochford Station.)

Here on the Liverpool Street/Broad Street station sites we have an enormous undeveloped area right in the heart of the City of London, the development of which could enable London, which lacks so appallingly in these matters, to go in one bound into the forefront of cities providing situable facilities for conferences.

B. Engert.
Vuasghyll House,
Peasmarsh, Rye.

Profitable investment

Sir,—Mr. W. J. Luxton's timely article on the "Lack of adequate (Conferences & Exhibitions Survey, July 22) mentions the attempts now being made by both the GLC and the Birmingham Corporation to set up identical-sized exhibition centres in their respective areas. After so many years of fruitless effort to establish one "national" exhibition centre this... new bizarre situation places the Government in something of a dilemma.

It is hardly conceivable that the Minister for the Environment, Mr. Peter Walker, will grant permission for 415 acres of Green Belt in Warwickshire and 140 acres in *Middlesex* to be swallowed up by two similar exhibition centres. Which one then, if either will go ahead: Birmingham's, in spite of industry's continuing opposition, or London's with all the cost and access problems of the Northolt site? The arguments for and against both sites are all too familiar to the Government by now, and it should not need another protracted public inquiry to settle the issue after the recent marathon in Birmingham.

In any event industry will not be able to make two new 1m. sq. ft. exhibition centres financially possible with Earls Court and Olympia still in use, and the promised loans of £10m. and £3m. by the two city corporations will make no difference for both schemes require large institutional backing.

So far private investors have not been much impressed by claims that industry needs a new 1m. sq. ft. exhibition centre. Once the demands of specific industries are accurately gauged, however, in terms of net square feet per £ per annum the problem of financing a new centre will be much nearer solution. It will then be seen that well-run modern exhibition buildings, like those throughout Germany, are not a speculative gamble suitable only for public funds but are a profitable long-term investment.

D. G. A. Shallcross,
32a, The Drive, Hove.

Train track failures

Sir,—My attention has been drawn to correspondence on train track buckling and, in particular, to the letter from Mr. Bateman (July 8) and Mr. Fenton (July 19).

Some four years ago I drew to attention at the highest level the problems likely to arise from unrestricted use of continuous welded rail and with particular reference to the nature and intensity of induced stresses that would cause violent local disruptions of the track.

This led to considerable correspondence with the Ministry of Transport and British Rail engineers and with statements by both disproved by events that I predicted.

Reasons were put forward to *account* for the various *disasters* — inadequate inspection and maintenance, insufficient ballasting, dirty ballast, destressing at the wrong temperatures, etc. All of these, in my opinion, are only relevant on a restricted time scale and do not materially affect the nature and intensity of the stresses that ultimately must develop and disrupt the track.

I feel that consideration of the very serious problems has been too highly specialised and confined in scope. It is my opinion that the continuous type of rail as at present being implemented requires (for its stability) a degree of support and anchorage that cannot economically be obtained from the differing track formations under the varying climatic and traffic conditions.

The *rail* authorities may be alive to the problems they have created but they do not appear to admit, or perhaps even know, what are the fundamental factors that will dictate the course of action that must be implemented for the safety of the travelling public.

It may be that the maintenance of old type jointed rail is "labour intensive" and expensive, but it was proved to be safe and that is of over-riding importance.

It was my experience, formerly, that one could travel by sleeper in comfort—safely, surely and asleep—many, I am sure, will agree that this is no longer possible.

Unless the rail authorities get their priorities right and restore the safety factors, our railways will not survive and the increased speeds proposed will merely be an expensive means of hastening their end—and with a heavy death toll in the process—in my opinion this is certain.

L. Martin Weaver, FRICS.
Dormers,
Mawgan Porth,
Newquay.

Malta and Britain

Sir,—May I point out to Mr. D. S. Edgar (July 26) that, despite the fact that the Channel Isles were under the protection of Great Britain, this did not seem to have the desired effect once the enemy had decided to occupy the Islands, so Mr. Edgar's remarks would hardly console Malta. In fact, is it not true that Britain decided that it was not in a position to defend the Channel Isles? Is it not also being said that it would be impossible to defend Malta?

If it is a fact that Malta would be impossible to defend and, in any case, is of little significance to British defence in the *Mediterranean* then *I hardly think* the Russians would occupy the island as Mr. R. Holden suggests.

Mr. Holden also infers that Dom Mintoff has abrogated the agreement with Britain. My understanding of the situation is that Britain abrogated the agreement in the first place by advising the Malta Goverment some three years ago that it intended to run down the defence arrangements and numbers of service personnel in the island and the arrangement made subsequent to this event between the then Prime Minister of Malta, Mr. Borg Olivier, and the Wilson Government was purely verbal. Mr. Mintoff is therefore suggesting that an agreement is no longer in force and he is thus in a position to negotiate a new agreement.

Mr. Holden makes great play on his belief that one should never yield to threats or intimidation but what exactly is his assumption that, if we leave Malta, that in the event of a war the Russians would walk into Malta and pay *nothing* for the privilege? If I were Dom Mintoff I should be inclined to ignore this form of implied intimidation.

If NATO and Britain need Malta they will pay for it and *if they* don't then it is extremely unlikely that anybody else needs it and the Maltese can get down to the job of selling their beautiful and friendly islands as ideal tourist resorts—a fact which has already been proved to the pleasure of many thousands of our countrymen.

Gordon L. McNally,
Managing Director,
Exchange Travel (Holdings),
10, Eastcheap, E.C.3.

Cut-price hire purchase

Sir,—I see that Lombank have issued a warning against "cut price hire purchase," seeing quite rightly the danger of 18 months' supply of cars being "sold" in 12 months, with a consequent following "flat spot." They do not point out the fact that a cut price war in terms for business invariably results in a spate of repossessions which must of necessity be re-sold in competition with new sales which are thus further depressed.

However, the finance houses in their loan schemes are moving rapidly from pawnbroking to moneylending, where the value of the merchandise is of less consequence then the value of the borrower and there is no Glass's Guide to the latter value.

The qualifications required to operate loan business with a profit will surely separate the men from the boys and in a rate war on loans, laxity or inexperience could lead to a debacle as catastrophic as that of 1959.

David W. Jones,
16, Dumfries Place,
Cardiff.

Mr. Wilson's objective

Sir,—David Watts' fascinating article on Mr. Wilson (July 23, page 19) seems to underestimate the Labour leader's infinite capacity for survival.

Mr. Wilson, whatever his faults, is surely a more highly skilled politician than Mr. Watt infers. He now has, I believe, one predominant objective, from which he never swerves—to see a Labour government in power again with himself as Prime Minister; in this he has *massive* party backing.

He is well aware that this country is going to join the EEC; he is equally aware that the first few years of our membership are likely to be painful, while British management and British workers are learning to live with their unhandicapped European competitors.

At the time of the next election is it highly probable that things will be difficult and the electorate, blaming the Tories, will choose a Labour government, probably with a massive majority. During the following five years the country's prosperity will revive as we begin to reap the benefits of our membership of EEC and Mr. Wilson will take the credit—and probably get re-elected in 1979.

Good for the country? It depends on your viewpoint—personally I doubt it. But good for the Labour Party and for Mr. Wilson? Almost certainly.

K. M. Bridge,
185, Charminster Road,
Bournemouth.

Overwhelming support

Sir,—I always turn to David Watt's "Politics To-day" column in anticipation of a thoughtful and well-balanced argument. It is therefore particularly sad to see him claiming that "Harold Wilson is in the process of being destroyed by the Common Market issue." He seems to have ignored a number of vital facts, two of which I should like briefly to note.

1—Harold Wilson retains the support of an overwhelming majority of Labour voters, and the admiration and respect of a large body of people who are not committed Labour voters. All of this despite the almost unparalleled abuse from the Press since he took over the leadership of the Labour Party, and more particularly during his Premiership.

2—The Common Market remains deeply unpopular with the majority of the people of the country and positively loathed by the bulk of Labour supporters. All of this despite the near unanimous support for the Common Market from the Press, radio and television, and the most expensive propaganda exercise this side of Nazi Germany.

Patrick Davies.
Eastfield,
London Road,
Pakefield,
Lowestoft.

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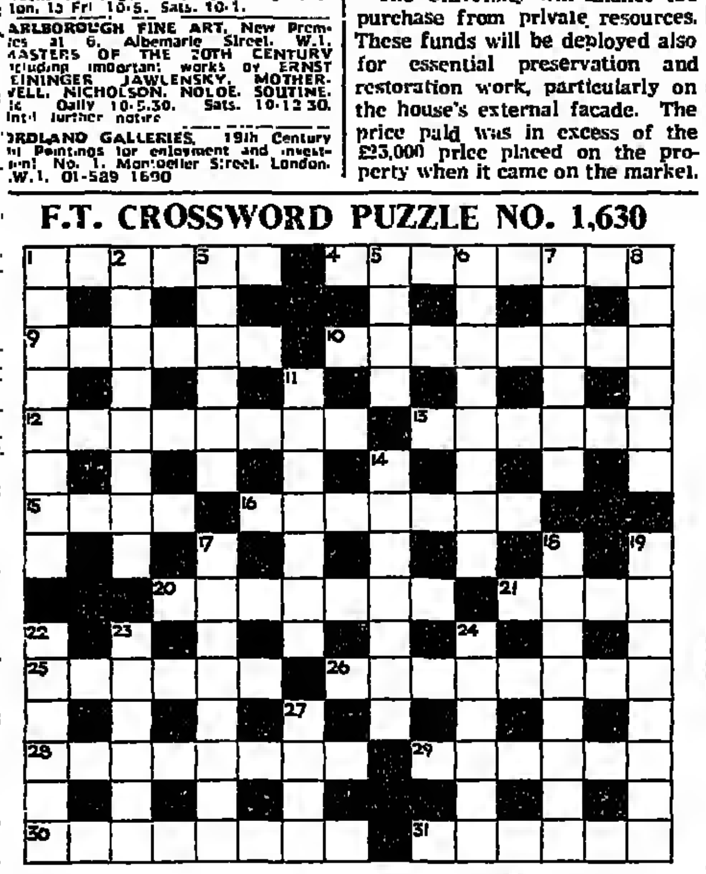
UNIVERSITY BUYS ROB ROY HOUSE

Ross Priory on Loch Lomond, a house and estate where Sir Walter Scott wrote much of the novel Rob Roy, has been bought by the University of Strathclyde for use as an educational, residential and social centre for senior staff and guests.

The University will finance the purchase from private resources. These funds will be deployed also for essential preservation and restoration work, particularly on the house's external facade. The price paid was in excess of the £23,000 price placed on the property when it came on the market.

F.T. CROSSWORD PUZZLE NO. 1,630



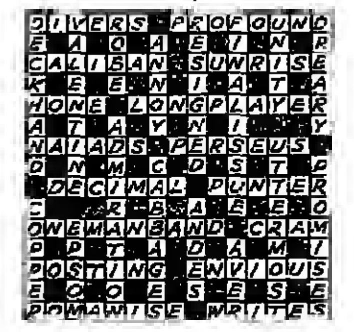
ACROSS

1 Continue to signal for refreshment (6)
4 Naboth's holding (8)
9 Bring back to court to declaim (6)
10 I stop Hal wrecking the establishment (8)
12 Blow from top end of canal (5, 3)
13 Clever at cards, perhaps (6)
15 Stake returned to the mountain (4)
16 Volume allowed to become a smaller one (7)
20 Send portion back in right acknowledgement (7)
21 Commonly kept shut for discretion (4)
25 Old forward specialist (6)
26 Air of a musical lass (8)
28 Figure in percussion section (8)
29 Happens to be measure in what we have (6)
30 Bloody and bold follower (8)
31 Cover with drapes, perhaps (6)

DOWN

1 Supporting melodies make piles of money (8)
2 Once a pal tangled with a crook (2, 6)
3 Protest at the umpire's decision? (6)
5 One politician's image (4)
6 Tradesman without a drink (8)
7 Opposed to gas capers (6)
8 "— have dangerous ends" (Henry VI) (6)
11 Transmit and pass off (3, 4)
14 Dancing master? (7)
17 Bring alormy character round on weapon (8)
18 Curate re-organised in being (8)
19 Dad goes back to pudding on copper, satisfied (8)
22 The dog for me (6)
23 Ruins soft fluid on board (6)
24 This classical vessel holds too much, it seems (6)
27 Dirty work in the garden (4)

SOLUTION TO PUZZLE No. 1,629



TV Radio

* Indicates programme in black and white.

BBC 1

*10.55 a.m. Cricket: Gillette Cup Semi-finals, Kent v Warwickshire and Lancashire v Gloucestershire. 12.25 p.m. Nai Zindagi—Naya Jeevan. 12.50 Cricket: Gillette Cup Semi-finals. 1.00 Disc a Dawn. 1.30 Watch with Mother. 1.45 News. 1.53 Racing and Cricket: Racing from Goodwood, and Gillette Cup Semi-finals. 4.20 Play School. *4.40 Jackanory. 4.55 Hope and Keen's Crazy House. 5.20 Chingachook. 5.44 Abbott and Costello.
5.50 News.
6.00 Nationwide.
6.20 If You Were Me.
6.45 Sing Hi, Sing Lo.
7.10 Mission Impossible.
8.00 Paul Temple.
*8.50 The Fifties: relived.
9.00 Nine O'clock News.
9.20 An Hour of Harry Worth.
10.20 24 Hours.
10.50 Maazel Conducts Tchaikovsky and Sibelius.

All Regions as BBC 1 except at the following times:—

Wales—*6.00-6.20 p.m. Wales To-day. *6.45-7.10 Heddiw.

Scotland—*6.00-6.20 p.m. Reporting Scotland. 11.57 Scottish News Headlines.

Northern Ireland—*6.00-6.20 p.m. Scene Around Six. *11.57 Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 11.57 *Regional News Headlines.*

BBC 2

11.00 a.m. Play School.
4.45 p.m. Cricket: Gillette Cup *Semi-finals.*
*6.35 Open University: Arts 24.
7.00 Cricket: Gillette Cup Semi-finals.
7.30 News.
8.00 Man Alive: The Bankrupts—mostly the small, individual businessman and the husband-and-wife teams.
8.50 One in Ten.
9.00 Stage 2 presents Ian McKellen in "Ross."
10.50 News on 2.
10.55 Cricket: Gillette Cup Semi-*finals.*
11.25 Late Night Line-up.

LONDON

2.15 p.m. Racing from Redcar. *3.40 Pipp and His Friends. 3.55 Yoga For Health. *4.25 Matinee. 4.55 The Sooty Show. 5.20 Ace of Wands.
5.50 News from ITN.
6.00 Cooking Price-wise.
*6.30 The Benny Hill Show.
7.30 Coronation Street.
8.00 The Saint.
9.00 Public Eye.
10.00 News at Ten.
10.00 News at Ten.
10.30 Mountbatten.
11.30 Wrestling.
12.15 a.m. The Photographers: Leonard Parkin talks to John Donat, architect and photographer.

All ITV Regions as London except at the following times:—

ANGLIA

*4.25 p.m. Anglia Newsroom. 4.30 The Romper Room. 6.00 About Anglia. 6.35 Crossroads. 7.00 The Odd Couple. 8.00 Mannix. *10.30 It's Tarbuck. 11.00 *Reflection.*

ATV MIDLANDS

3.35 p.m. Tomorrow's Horoscope. 3.40 Women Today. 4.10 Peyton Place. 0.40 Paulus. 6.00 ATV Today including Police Five. 6.35 Crossroads. 7.00 From A Bird's Eye View. *10.30 It's Tarbuck. 11.00 Wrestling.

BORDER

4.15 p.m. Border News Headlines. 4.17 Yoga For Health. 4.40 Paulus The Wood-*gnome.* 6.00 Border News and Lookaround. 6.35 Crossroads. 7.00 Jokers Wild. 8.00 Man In A Suitcase. 12.15 a.m. Border News Summary.

CHANNEL

4.00 p.m. Pingwings. 4.10 Puffin's *Birthday Greetings.* 4.20 Tea Break. 6.00 Channel News. 6.10 Stryker of the Yard. 6.35 Crossroads. 7.00 Nanny and the Professor. 8.00 Marcus Welby M.D. 10.32 It's Tarbuck! 11.00 Wrestling. 11.45 Epilogue followed by News and Weather in French.

GRAMPIAN

4.22 p.m. Grampian News Headlines. 4.25 Moment of Truth. 6.00 Grampian News. 6.10 Silver City Folk. 6.35 Crossroads. 7.00 Jokers Wild. 8.00 Man in a Suitcase. 12.00 Evening Prayers.

GRANADA

4.10 p.m. News followed by *Peyton Place. *4.40 Zingalong. 6.00 Newsday. 6.30 Randall and Hopkirk (Deceased). 8.00 Department S. 10.30 It's Tarbuck! 11.00 Wrestling.

HTV

4.09 p.m. Tomorrow's Horoscope. *4.14 Moment Of Truth. 4.40 Tinkertainment. 6.01 Report West. 6.18 Report Wales. 6.35 Crossroads. 7.00 Joker's Wild. 8.00 The Champions.

SCOTTISH

4.15 p.m. The Enchanted House. 4.30 Crossroads. 4.55 Holiday Cavalcade. 6.00 Scottish News. 6.10 Police Call. 6.15 Popeye. 6.30 Calum's Ceilidh. 7.00 Joker's Wild. 8.00 The Champions. 10.30 Band Call—Clinton Ford. 11.00 Talking Heads. 12.10 a.m. Late Call.

SOUTHERN

3.35 p.m. Tomorrow's Horoscope. 3.40 Women Today. 4.10 Houseparty. 4.23 Buffalo Bill. 4.30 Crossroads. 6.00 Day By Day. 6.30 It's Like Sitting Under A Cold Shower Throwing Away Five Pound Notes. 7.00 The Comedians. 8.00 The Avengers. 11.30 Southern News Extra.

TYNE TEES

1.45 p.m. Play Better Golf. 4.10 North East Newsroom. *4.15 Time to Remember. 4.40 The Enchanted House. 6.00 Today at Six. 6.30 University Challenge. 7.00 Jokers Wild. 8.00 Department S. 10.30 It's Like Sitting Under a Cold Shower Throwing Away Five Pound Notes. 11.00 Wrestling. 11.45 Late News Extra. 12.00 Tales of Richmond.

ULSTER

*4.30 p.m. Romper Room. *4.50 Ulster News Headlines. *6.00 UTV News. *6.10 The Best of Lucy. 6.35 Crossroads. *7.00 Sporting Challenge. 8.00 Man in a Suitcase.

WESTWARD

3.58 p.m. Westward News Headlines. *4.00 Pingwings. 4.10 The Gus Honeybun Show. 4.20 Tea Break. *6.00 Westward Diary. 6.35 Crossroads. 7.00 Nanny and the Professor. 8.00 Marcus Welby M.D. *10.30 It's Tarbuck! 11.00 Wrestling. 11.40 Westward Late News. 11.48 Faith for Life.

YORKSHIRE

*1.45 p.m. Play Better Golf. 4.10 Calendar News. *4.15 Matinee. 4.40 The Enchanted House. 6.00 Calendar. 6.30 University Challenge. 7.00 Jokers Wild. 8.00 Department S. *10.30 It's Tarbuck. 11.00 Wrestling.

RADIO 1 — 247m

Time checks, up-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.0, 6.30, then every hour on the half-hour until 2.30 p.m., 3.0, 3.30, 4.0, 4.30, 6.30, 7.0, 8.0, 10.0, 11.0, 12 midnight, 1.0 a.m., 2.0. Weather at 5.32 a.m., 6.2, 6.32, 7.32, 8.32, 6.32, 7.2, 2.2 a.m.

5.30 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Johnnie Walker. 10.00 Jimmy Young. 12.00 Radio 1 Club. 2.00 p.m. Tony Brandon. 3.2 Terry Wogan. 5.00 What's New. 6.00 Sounds of the 70s. 7.3 p.m., until 2.2 a.m., Radio 1 joins Radio 2.

RADIO 2 — 1,500m; VHF

News summaries at 5.30 a.m., 6.0, 6.30 (VHF and 247m.) 7.0, 7.30, 8.0, then every hour on the hour until 3.0 p.m., 4.0, 4.30, 5.0, 5.30, 6.0, 7.0, 8.0, 10.0, 11.0, 12 midnight, 1.0 a.m., 2.0. Weather at 5.32 a.m., 6.2, 6.32, 7.2, 7.32, 6.2, 8.2, 5.32 p.m., 6.32, 7.2, 2, 2a.m.

5.30 a.m. News. 5.32 Breakfast Special. 8.27 Racing Bulletin. 8.55 Pause for Thought. 9.2 Pete Murray's Open House. 11.2 Morning Story. 11.15 Waggoners' Walk NW. 11.30 *Sid Phillips* and *Clinton Ford* in The Sid Phillips Band Show. 12.2 p.m. Sam Costa. 1.50 Sports Desk. 2.2 Woman's Hour. 3.2 Sport on 2. Cricket and Racing: Racing from Goodwood and from Redcar: Gillette Cup semi-finals: Lancashire v. Gloucestershire and Kent v. Warwickshire. 4.15 Waggoners' Walk NW. 4.31 Sports Desk. 4.40 Charlie Chester. 6.2 Sport on 2. 6.45 Sports Desk. 7.3 Humphrey Lyttelton with The Best of Jazz on records. 8.1 Sports Desk. 8.2 Bryan Forbes and the Cinema. 8.45 Syd Lawrence and his Orchestra play Shades of the Big Bands. 9.15 Victor Silvester at the Radio 2 Ballroom. 10.2 Late Night Extra. 12.00 Midnight Newsroom. 12.5 a.m. Night Ride. 2.0 News.

RADIO 3 — 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Mozart, Boieldieu, Marais, gramophone records. 8.00 News. 8.05 Your Midweek Choice: Prokofiev, Mozart. 9.00 News. 9.05 This Week's Composer: Handel, on gramophone records. 9.45 Chamber Music: Haydn, William Bardwell, Howells. 10.45 Organ Recital: Schumann, Liszt. 11.15 The Young Mendelssohn. 12.15 p.m. Midday Concert: Balakirev, Glinka, Shostakovich, Scriabin, gramophone records. 2.05 Dvorak and Busoni recital. 3.00 BBC Training Orchestra: Bartok, Schumann. 4.00 Choral Evensong. 4.45 The Young Idea. 5.55 Jazz To-day. 6.25 Programme News: Stock Market Report. 6.30 Study on 3: Europe and The Indies, part 2: The Founding of the Companies. 7.00 Help Yourself to English, part 2: The File. 7.00-7.30 VHF Open University: Social Sciences 24. 7.30 The Proms, part 1: Beethoven. 8.55 Some Myths in Human Biology, part 3: Aggression. 9.15 The Prom, part 2: Ruggles, Ives, Sessions. 10.05 Consort Songs. 10.45 Schumann and Schroter recital. 11.30 News Summary.

RADIO 4 — 330m; VHF

6.25 a.m. News Summary. 6.27 Farming To-day. 6.45 Prayer for the Day. 6.50 Regional news, weather and preview. 7.00 To-day: magazine. The *News.* 7.40 To-day's Papers. 7.45 Thought for the Day. 7.50 Regional news, weather and preview. 8.00 News and more of To-day. 8.40 To-day's Papers. 8.45 Yesterday in Parliament. 9.00 The News. 9.05 The Living World. 9.35 This Was Your Line. 10.15 Daily Service. 10.30 All Kinds of Music. 11.30 Dial a Scientist. 12.00 You and Yours. 12.25 p.m. The Secret Life of Kenneth Williams. 12.55 Weather, preview and News. 1.00 The World at One. 1.30 The Archers. 1.45 Listen with Mother. 2.00 Steve Race's Invitation to Music. 3.00 Afternoon Theatre. 4.00 The Countryside in July. 4.30 Story Time. 5.00 P.M.: News magazine. 5.50 Regional news, weather and preview. 6.00 Six o'clock News. 6.15 Twenty Questions. 6.45 The Archers. 7.00 News Desk. 7.30 Down Your Way. 8.15 Mid-week Theatre. 9.00 A Choice of Paperbacks. 9.45 The Speech Barrier. 9.59 Weather. 10.00 The World To-night. 10.45 To-day in Parliament. 11.00 A Book at Bedtime. 11.15 Late News. 11.31 Market Trends.

Racing

To-day's Events, Page 13

A race to favour

by DARE WIGAN

THE RACE that everyone has been waiting for—since last Saturday, at any rate—takes place at Goodwood this afternoon (3.10) when *Brigadier Gerard* defends his unbeaten record against *Joshua, Realm, Ashleigh* and *King's Company* in the Sussex Stakes, for *Brigadier Gerard,* it will be remembered, finished three lengths ahead of *Mill Reef* in the 2,000 Guineas.

The only excuse that has been advanced for the failure of *Mill Reef* to win at Newmarket on May 1 was that he and *My Swallow* set so scorching a pace over the first six furlongs of the Rowley Mile that they cut each other's throats. But as the race was run, *Brigadier Gerard* was a decisive winner, and the fact that, in his next race, the St. James's Palace Stakes at Ascot, he scraped home by only a head from *Sparkler,* could be attributed to the boggy ground. It is to be hoped that the rain that fell throughout racing yesterday will not produce similar conditions this afternoon

In the Irish 2,000 Guineas, *King's Company* defeated *Sparkler* by a neck, so, if the Ascot form were correct, it may be argued that there will be *little* between *Brigadier Gerard* and *King's Company* to-day. However, I shall be surprised if *Brigadier Gerard* does not come out the better of the two by a convincing margin. *Joshua,* a big strong colt, though he has won two good races in France this season, is not, in my view, up to perfect standard—an observation that may also apply to *Realm,* who, in any event, has yet to prove that he stays a mile.

Indeed, in the unlikely event of *Brigadier Gerard*'s being beaten, I think that the one to encompass his downfall will be the Irish-trained *Ashleigh,* a grey colt by *Ragusa* trained by Paddy Prendergast at the Curragh. *Ashleigh* has run only twice; first, as a two-year-old last August, when he finished third behind *Minsky* and *Boreeen* in the valuable Railway Stakes, and was apparently baulked at a crucial stage; and, second, when defeating *Tula Rocket* easily in the Jersey Stakes at Royal Ascot last month. Neither performance puts him in the same league as *Brigadier Gerard,* but Prendergast has always had a high opinion of his potential, and the probability is that like most of the progeny of *Ragusa,* he is improving. He looks the type to be suited to the undulating *Goodwood* course.

With *Mummy's Pet, Pisces* and *Hecla* in the field, there will be no loitering in the King George Stakes (2.00). But the one who may pass the winning post first is *Supernatural,* a colt by *Red God,* owned by Capt. Sir Cecil Boyd-Rochfort, formerly trained by M. Hurley in Ireland, and now with Staff Ingham at Epsom. Sir Cecil, who had numerous successes as a trainer on this course will be particularly anxious to win here, and has had his sights set on this race for a long time. That *Supernatural* is fast brooks no argument, for he broke the five furlongs course record at Baldoyle early in June before coming over for the King's Stand Stakes at Ascot, where he was bogged down in the mud behind *Swing Easy.*

Scoria, who finished second in the Brown Jack Stakes at Ascot on Saturday, reappears in the Goodwood Stakes (3.40), and may have the edge over *Tartar Prince,* winner of the Great Metropolitan Handicap at Epsom and of the Northumberland Stakes at Newcastle.

Lazy Grey, whose owner, Lieut.-Col. John Hornung, lives no great distance from the course, and whose father won numerous races here, is an improving colt who will go well in the Richmond Stakes (2.30), and *Miss Paris,* a filly by *Sovereign Path,* owned by Mr. John Pearce, who is over here on his annual visit from Hong Kong, showed definite promise when runner-up to *Rainy Season* at the Newmarket July meeting, and is the probable winner of the Selsey Stakes (4.10).

Relate has *The Bugler* to beat in the Heyshott Handicap (4.40).

Harry Wragg, who has an enviable record over the years in important sponsored events in the North, has despatched *Premeno* from Newmarket to Redcar for the Timeform Gold Trophy Handicap (3.30), and I doubt the ability of *Russian Bunk* to concede Mr. Gerald Oldham's colt 11 lb. *Shoolerville* is a confident selection for the Timeform Silver Salver (3.0).

GOODWOOD

2.00—Supernatural
2.30—Lazy Grey
3.10—Brigadier Gerard***
3.40—Scoria
4.10—Miss Paris
4.40—Relate*

REDCAR

3.00—Shoolerville**
3.30—Premeno
4.30—Resourceful

IMPROVEMENT TO A40

Marples Ridgeway, a member of the Bath and Portland Group, is to start work shortly on improving the London-Fishguard Trunk Road (A40) west of Gloucester. The £2.5m. Department of the Environment contract should take about two years to complete.

The Proms

Boris Godunov

by RONALD CRICHTON

As everyone knows by now, the Proms this year are taking wing, not forsaking the Albert Hall but experimenting with other notable places as well. On Monday, while Schütz and Co. were being done in Kensington Gore, the Royal Opera House threw open its doors for an extra performance of *Boris Godunov*. A performance with a difference. Prom-style programmes instead of the usual red, black and white, a crowd spilling over the stalls space, where the seats had been removed to admit another 150 or so. Once the performance began everyone sat on the floor, appeared to see without difficulty and, judging from the applause and cheers at the end of the acts, to enjoy themselves hugely.

Since the Covent Garden *Boris*, with Downes conducting, and Christoff magnoperating in the title-role, is familiar and has recently been discussed here, the interest of the occasion was social rather than musical. No doubt someone from Covent Garden and the BBC will be finding out how many of that audience were seeing an opera for the first time, and what they thought of it.

There were questions one wanted to ask. Did this production, older in its original form than many members of this audience, come up to expectations, or did it support the unkind things its detractors say about opera? Did the inclusion of a big, unmistakable star, no longer it is true in his grandest vocal form, but with magnetism and presence unimpaired, redeem what otherwise (considered purely as a theatrical experience) was not greatly superior to *William Tell* the other night? Did the remoteness of *Boris* from conventional ideas of grand opera (the production in its present state unfortunately minimises this) prove a help or a hindrance?

The feeling was altogether friendly, the squatters were more attentive, less rustly, much better looking, than the usual stallholders, far more demonstrative when the time came for acknowledging the artists. They deserve praise and appreciation as well, for *Boris* sung in Russian by a non-Russian cast in the smoothed-out Rimsky version is quite something to sit through on the floor, even with Christoff and, to mention some of the home company who gave particular pleasure on Monday, Rouleau as Pimen, Veasey and McAlpine as Marina and Grigori, Kraus as a superbly oily Jesuit, Hugh Sheehan and Robert Thomas in small but effective roles.

The event was also important because of the possibilities it opens up. The Proms under the Clock regime have already introduced thousands to the work of the Covent Garden and Glyndebourne companies in concert performances in the Albert Hall. Operas, and acts of operas, given in this manner have covered a wide field. Now there is a chance, if the "live" experiment can be repeated once or twice a season, to show those in the Prom audience who don't normally go to opera what an experience something like, say, *The Knot Garden* or the Sadler's Wells *Götterdämmerung* can be.

Schütz

by DOMINIC GILL

The other half of Monday's double Prom spanned the two centuries before Mussorgsky: a selection of sacred choral works by Schütz, Gabrieli and Monteverdi, and the fine D major Magnificat by C. P. E. Bach. It is no easy thing to fill the Albert Hall with the sound of two small chamber choirs and a chamber orchestra — and less easy still to fill it with the spirit of 17th-century music-making, and it must be said that Roger Norrington's Schütz Choir and Schütz Chorale, supported by the much-reduced strings of the BBC Orchestra and the brass of the Philip Jones Ensemble, all took some time to play themselves in, and get the feel of the wide open spaces.

Norrington began with Schütz's big antiphonal setting of Psalm 24, *Domini est terra*: but in spite of his very fast tempi, and much hurling and whirling of arms, the actual sound was a little heavy, lacking spring and contrapuntal bounce. The two dramatic questions, "Quis est iste rex gloriae?" were given to soloists high up in the gallery: but otherwise the antiphonal balance was disappointing. I should have relished wider, even more flamboyantly Italian spacing—why not the brass at the side or the back of the hall, instead of cheek by jowl with the strings on the stage?

In the now relatively dry and ...ing saucer-filled acoustic of the Albert Hall, Gabrieli's *O magnum mysterium* came across unusually crisp and clear—no harm in that, though the beginning particularly, I thought, could well have done with a stronger taste of mystery and cathedral murmur. But it was clearly sung, and with feeling. And how it put it in the shade, even that little sun-drenched fragment, the four-square artifacts of the German Schütz! What a deft but dull and posturing thing is his "Es erhub sich" beside Monteverdi's marvellous *Gloria concertata*, warm, brilliant gold! Schütz's little motet, *Ach Herr, du Schöpfer*, a very lovely Italianate essay, was very beautifully, dreamily sung by the Choirs; but the psalm-setting, *Ich danke dem Herrn*, paled beside it—solid, predictable stuff, solidly and predictably sung.

The second half brought us directly into the 18th century with the rousing D major fanfare of Emanuel Bach's Magnificat. It was not, however, all in all a very stirring performance. The solo singing was, as it had been in the first half, mostly undistinguished—though the (unnamed) tenor and alto of the duet "Deposuit potentes" did give us some good, strong things. But Norrington did not coax his orchestra to any very heartfelt phrasing, nor indeed his brass to all the right notes; and his beat, too often choppy and wide-sweeping, did not always seem to speak very subtly to his choir.

Cambridge Arts

The Winter's Tale

by B. A. YOUNG

To mark the Cambridge Festival, the University Actors have migrated from the ADC to the Arts, where they are collaborating with the town in a production of *The Winter's Tale*. It is a lifeless affair, I'm afraid. Paul Murray, the director, has saddled himself with a prominent set by Tim Foster that allows him to make only minor changes between the Sicilian court and the Bohemian countryside, so that the sheep-shearing seems to be taking place on the terrace of a seaside hotel.

The text has been somewhat uncouthly cut; we have no bear and no ghost-story from Mamillius (who seems to be about four years old). In spite of the cuts, progress is very slow; Mr. Murray evidently has difficulty in getting his characters on and off the stage, so that long, embarrassing silences continually hold up the proceedings.

The costumes belong to the early part of this century—high-collared, Balkan-flavoured uniforms for the men and long dresses for the women. The shepherds wear lounge-suits and Autolycus a tailcoat.

Of the acting I prefer not to speak, except to curtsy towards Christabel Gairdner for her Paolina, and to urge Charles Nicholl (Autolycus) who is clearly full of potential talent, not to swallow his songs as if he were ashamed of them.

Basement

A Rancid Pong

by GARRY O'CONNOR

This is yet another *Voyage au bout de la nuit* lunchtime sketch. A blackened iron bedstead, like a worn-out battlehorse, fills the postage-stamp stage. In it a old slut called Marilyn coos among the empty Coca-Cola tins. A petty little criminal man, old, slides about like a morose crab, bringing her a light for her cigarette, taking exception to the red wig she dons. He leaves, then returns, then climbs into bed with his shoes on. They converse in monosyllables, at a grindingly slow pace. The play ends with neither a bang nor a whimper, but with Arnold discharging wind.

There are many precedents for this kind of play, I am sure Mike Leigh, who wrote and directed it, is trying to make a statement about the futility of life, or love. If you spend half an hour in a room with this pair of failures (acted with loving care by Joolia Cappleman and Reginald Stewart) you will gain some insight into their lives, he is probably trying to say.

To me it is a dead end, too often a play like *A Rancid Pong* becomes, not a statement about ordinary life, but a means for the playwright to express his own sense of futility and alienation. It is private, not objective.

And yet ironically enough, these bewildered private moans of pain are everywhere. I suppose they reflect, to an extent, how some people must inflict pain on themselves in order to keep going. It hardly makes a happy formula for a short play.

Television

Shadow and substance

by T. C. WORSLEY

Ken Russell as seen on "Omnibus" (BBC 1)

Although my private interests and amusements are pretty equally divided between sport and the Arts, I find the enormous amount of "chat" round and about each of them dreadfully depressing. I have watched as much of the Test match as I was shown, but the moment the game is adjourned and Peter West and Jim Laker begin chatting it up, I instantly switch off. The interviews beloved by both channels in between the sport strike me as of a paralysing boredom and banality. And football attracts an inordinate amount of pre-chat, post-chat and inter-chat.

In the same way I turn eagerly to the display of a projected work of art of television, Alwin Nikolais's ballet or Britten's *Owen Wingrave* but I desperately avoid all the gas about them; and as a matter of fact we are not so much bothered—certainly less than in sport—with pre or post-chat about such events except sometimes in Late Night Line Up. No, art-chat takes place in its own special programmes *Review* or *Aquarius* or *Omnibus* and lugubrious much of it is, since the people interviewed are usually such solemn owls.

The BBC's *Review* I feel some guilt about not mentioning more often, since there is a kind of unseen pressure on us critics to support the Arts against the Philistines. But the fact is I always turned to the programme with reluctance and usually turned it off with relief. For art chat has now become so pretentious as to be really unendurable. It hasn't even the down-to-earth analytical exactitude of sports chat. It nearly always loses itself in pretentious jargon.

Peter Brook whose interview with James Mossman was repeated last week—in tribute supposedly to the London production of his adventurous *A Midsummer Night's Dream*—can on occasion lose himself in a bog of theory. On this occasion he was pretty straightforward and down to earth. Yet all the same I doubt the value of this kind of interview. Who wouldn't rather devote the available time to as many extracts as could be fitted in from the film of his production than listen to him justifying or explaining it? A revolutionary approach like his either works or it doesn't: it must speak—and does speak—for itself. Justification won't help. As it turned out, though, his *Dream* is plainly not the sort of thing that extracts are kind to. They are bound to emphasise the trickiness without being able to give us the background into which the tricks might quite well, as I see, fit.

The Ken Russell programme in Sunday's *Omnibus* very nearly qualifies for prosecution under the Trade Descriptions Act. It was called *Russell's Progress*; and wouldn't you suppose from that that it would lead us through his work, reminding us of the television features from the early Elgar through the studies of Debussy, Bartok, the Rosettis, Delius, Richard Strauss and out to the feature films, the Lawrence, the Chaikovsky, *The Devils*? But it was nothing of the sort. The title was in no way justified. What we were given was in essence simply a film of Mr. Russell filming *The Devils*, interspersed with an interview with him in which he talked about his choice of subject in this particular film—an interview taken, in the worst television tradition, as he moved along in his motor. All this was of slight interest, especially as we concentrated on the last horrible moments of the film. A true Russell's Progress would have been, since during it he has moved from the position of being the most promising pupil to being the most unpopular boy in the school. I should dearly like to have heard his comments on this.

Rather than art chat, then, art works themselves, and the one that has most aspired to that condition lately was clearly the highly praised London Weekend play, *After a Lifetime*, by Neville Smith, a Loach-Garnett production. No one admires the work of this combination more than I do, but on this occasion I have to drop out—and for a very simple reason. I couldn't understand a word anyone said. And after three quarters of an hour of bafflement I lost patience. I accuse Messrs. Garnett and Loach of a basic heresy. They believe that the nearer you get to the absolutely life-like, the truer your play will be. But here they are surely muddling life and art.

Realism is only one convention of many and however far you push the reality of the realism it remains a convention. What the artist is after—and, like it or not, they are artists—is the *illusion* of reality. And the first duty of an artist is communication. To give us a very difficult set of accents and then deliberately to record them "off-mike" to render the mumble more "life-like" is to defeat their own object. Deliberate obscurity in an artist is commonly a sign of immaturity. I can't avoid the feeling that Messrs. Loach and Garnett here were deliberately cocking a snook at us middle-class Southerners. And I resented it. Of course nothing is more contemptible in these days than to be middle-class *and* Southern. But since it is we and not the Liverpool Irish workers who make up the bulk of their audience, attention must be paid to us.

Stage 2's production of *The Playboy of the Western World* suffered, as it seemed to me, from the very opposite fault. It was all too cleaned up and tied up. The Irish peasants who acclaimed a young visitor as a Wonder of the Western World just *because* he had killed his Da with a spade were surely never the spick and span peasants of Alan Gibson's production. This Pegeen might have been an advertisement for a toilet soap, so scrubbed and brushed and made-up she was: the pot-house of the setting might have been the window of a suburban furnishing store, so neat and tidy were its fittings. In this ambiance Joe Lynch and his friends looked like nothing so much as actors in an Irish play.

In any case stage adaptations, as we know, rarely make good television, and for the real right thing I turned to Music on 2, which was showing on Sunday evening a Polish ballet, *Games*, especially designed for the medium, and wholly delightful I found it. Konrad's choreography rivalled Alwyn Nickolais's in using all the devices the medium can offer. We had similar shifting and shunting scenery, similar weightless scenes, similar near-nakedness, similar brilliant use of colour, of floating objects, of interflowing stuffs, of water: a similar use of electronic music, except that this was based on Bach, and at first I thought, rather surprisingly from Poland, a similar abstraction, as a young man played with vast coloured balloons and objects. But a kind of story developed; "a paraphrase of the Orpheus and Eurydice myth," Radio Times called it.

I gave it a rather different interpretation: of a child playing with objects and then with a very beautiful girl playmate: the onset of adolescence brought dreams of the flesh, embodied in marvellously bedizened harridans and whores (what connection would this have with Eurydice?): an adolescent state of angst, a flirting with death, and rescue by the same beautiful girl, now a young woman. Whatever its interpretation, it had a fine discipline and a superb use of the medium: unexpectedly, too, from Poland, it had, with those whores and death's beads, a touch of Cocteau at his most brilliant.

Music on 2 was satisfyingly rounded off with a recital by Galina Vishnevskaya, Rostropovitch's wife, and Rostropovitch himself coming nearest on his 'cello to reconciling me to the aridities of Bach's compositions for unaccompanied strings.

Fermoy Art Gallery, King's Lynn

Pre-Raphaelites

by DENYS SUTTON, Editor of Apollo

During the last few years the summer exhibitions arranged by Mr. Geoffrey Agnew at the Fermoy Art Gallery, King's Lynn, in connection with the festival have become important events. The themes of such shows are invariably original and present unfamiliar, as well as celebrated, works. This year two private collections of Pre-Raphaelite paintings and drawings are on view. They make an instructive and enjoyable exhibition.

Although enthusiasts of this poetical and individual phase in English art may know a number of them—a proportion has passed through the rooms or has been on view in London or elsewhere—it is opportune to see them together, at a time when an intensive study of the period is taking place. In this connection, it is good news to hear that the Pre-Raphaelites will be included in the exhibition of English painting that is being held early next year at the Petit Palais in Paris.

The Pre-Raphaelite is a School that refuses to pass into oblivion, although for a long period, the work was scoffed at. The revival of interest in it is understandable, for content is now in fashion. Although the Pre-Raphaelites had individual colour and an appealing sense of line, their attraction also lies in the way their work contains hints of a troubled inner life. The dramas that lie beneath the surface in their work may be sensed in the group of drawings that were made by Millais when he was staying with Ruskin and his wife Effie at Glenfinlas in 1853. The show also includes Millais's dashing portrait of Ruskin.

Detail from Burne-Jones's pencil portrait, "Head of a Woman"

Rossetti and Burne-Jones are well represented in the exhibition and their mutual love of Italy is recalled by the former *Fiammetta* and the latter's *Beatrice*—homage to Boccaccio and Dante respectively. It was an indication of the influence of Italian culture on this country, also well shown in Browning, that they should have selected such themes. Understandably several of the most devoted collectors of Italian art—Charles Fairfax, Murray and R. H. Benson, for instance—admire the Pre-Raphaelites.

The presence in the exhibition of various studies for large compositions, designed as decorative *ensembles* for private houses, raises the fascinating topic of the character of patronage at this time. It sheds light on the taste of the age to find that *Perseus and the Graiae* is the stud for one of the pictures in the series *The Legend of Perseus* commissioned from Burne-Jones by Balfour in 1875 for the music room in his house in Carlton Terrace.

Holman Hunt is shown with a number of important items, a charming watercolour of Nuremberg and a sketch for *The Hireling Shepherd*. The exhibition also contains works by the second eleven of the movement. It is to be hoped that the two owners can be persuaded to lend their collections for an exhibition in London.

Lisson Gallery

Sol LeWitt

by MARINA VAIZEY

Some four years ago Sol LeWitt wrote about something he decided to call conceptual art, and he has been (ruefully?) stuck himself with the label ever since. Labels, as we all know, are shorthand terms which we all use for convenience, and, helpful as they are, they are often strikingly misleading, and conceptual art is a case in point. LeWitt has written: "Three-dimensional art of any kind is a physical fact. This physicality is its most obvious and expressive content. Conceptual art is made to engage the mind of the viewer rather than his eye or emotions."

Two other quotes from the artist amplify his intentions: "It doesn't really matter if the viewer understands the concepts of the artist by seeing the art. Once out of his hand the artist has no control over the way a viewer will perceive the work. Different people will understand the same thing in a different way," and "If the artist carried through his idea and makes it into visible form, then all the steps in the process are of importance. The idea itself, even if not made visual, is as much a work of art as any finished product. All intervening steps—scribbles, sketches, drawings, failed work, models, studies, thoughts, conversations—are of interest. Those that show the thought process of the artist are sometimes more interesting than the final product."

He has described modern art historical methods in a nutshell, of course; LeWitt himself sounds a most disarmingly unpretentious man, but I hesitate to think what material he is providing for doctoral theses. The Lisson Gallery, one of the two or three most interesting modern galleries in London, due to the unfashionable and indefatigable energies and enterprise of its young director, Nicholas Logsdail, has brought LeWitt's work to London for the first time in a one-man show. LeWitt, long an influence in new art circles in New York, much admired by fellow artists and dusted with critical accolades, has shown extensively throughout continental Europe in the past three years.

In the past decade or so, he seems to have tied the critics up in knots, searching for the concept—which in LeWitt's case seems to be rather a programme, a diagram, a plan, which can be carried out by other hands than his, notably in the wall drawings, five of which cover the walls of the Lisson Gallery with graphite pencilled lines, the execution done by local art students t... specific instructions from th... artist. Base for a wall drawin... "All walls on the lower flo... should be covered with a s... inch grid, drawing with a blac... pencil (hard)." Instructions f... one wall are as follows: "With... the six inch squares dra... straight lines from edge to ed... of the square using yellow, re... and blue pencils, each squa... should contain at least one lin... of each colour."

This wall evidently to... nearly 300 hours work on th... part of three students; at th... end of the show it will ... deleted (that is, whitewashed... but if we bought the plan w... could do our own wall drawin... Within the terms of the plan... there is a lot of room for vari... tion. The lower floor, with i... variations of lines with... squares, three of the wal... covered with lines in the prima... colours of yellow, red and blu... is a gentle place, resonatin... quietly, seeping into our visu... consciousness: a place f... thought and contemplation.

The lines, drawn directly ... to the white walls, are fre... from the frames and protube... ances of conventional eas... pictures. I can, of course, on... report on what I saw: a retin... experience of responding ... visual, visible, tangible, dare ... say, works of art, ideas ma... visible. I found it remarkab... beautiful, although that adjecti... is one the artist himself fee... can be totally irrelevant.

Upstairs on the ground flo... of the gallery, one wall seen... to whisper with its vertic... boards covered with freehan... lines cascading down the su... face. Sets of prints by LeWi... variations of coloured lin... within squares, are frame... hung on the walls, impeccab... displayed. A pristine purity, ... immaculate quality, pervades h... work. The interplay of colo... line and square is the theme ... a largish number of drawing... which in a restrained mann... are like tissues of silk, ... primary colour crosses prima... colour.

Congratulations to the Victor... and Albert and the Tate, for ha... ing bought sets of prints. B... when can we have a Wall Dra... ing, changed according to pl... and human variation every fe... months or so, and perhaps eve... drawn by our respected Keepe... and Curators? A set of LeW... drawings (Four basic colour... Yellow, Black, Red, Blue ar... their combinations) has bee... published by the Lisson, and ... in itself a compact and visuall... entrancing work of art, for on... 50p.

Farming and Raw Materials

'More stable future' for dairy farmers in market

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

DAIRY FARMERS could look forward to Common Market entry with confidence, according to Sir Richard Trehane, the chairman, speaking at the annual general meeting of the Milk Marketing Board yesterday. "We shall undoubtedly have difficulties of some degree," he continued, "but the judgment of your Board is that the industry can look forward to a more stable future in the Community than it has had with the policies of the last 15 years."

He instanced in particular the disappearance of dumped supplies of dairy produce, which had undermined the British market for so long. In future it would be to the country's advantage to produce as much of its dairy output here as possible to save foreign exchange or payment of levies on imports.

There could be, he went on, a shift of production from the Eastern to the Western areas of the country as the expense of the Community grain policies raised the cost of feeding stuffs and made farmers rely more on grass as a production ration. In the same way there could be a move to more summer milk.

He did not think producers would benefit from higher milk prices, but those for cull cows and calves would be greatly enhanced. In the EEC the beef guarantee applies to cow beef at the same level as that for clean cattle. Nor did he think that dairy surpluses would be likely to recur while the prime cause of the butter shortage had been the drought in Australasia over the past two years, the overall dairy situation was altering swiftly.

No butter surplus

EEC production had fallen recently, the butter surplus had disappeared and was unlikely to recur. All over Europe cow numbers were falling, in the U.K. they were down 1½ per cent., in the EEC 3 per cent. and in Scandinavia from 3 to 8 per cent. It appeared that European farmers were beginning to find that milking cows has few attractions, compared with other forms of farming or industrial life.

Speaking of the uncertainties surrounding the future of the Milk Board in the Common Market he claimed that the Government was at one with the Board in emphasising the essential service that it performed for the milk industry and the consumer. This is now appreciated in Brussels, and he was confident that this would be allowed to continue.

All in all Sir Richard's review accords with what most dairy farmers hope to see happen. An end to standard quantities and no limits on production; any surpluses to be taken at high Community prices for manufacture; and a permanently high market for surplus stock and calves. The irony is that due to changes in world production patterns over the last couple of years, changes that may be permanent, all this could have been achieved without Market entry. And Market entry may not of itself induce people to go on milking cows.

U.S. zinc price rise confirmed

By John Edwards

THE TWO BIGGEST U.S. zinc producers, St. Joe Minerals and American Refining and Smelting Co., confirmed yesterday that they were raising their prices for zinc by 1 cent a lb to 17 cents for prime Western grade and 18 cents for high grade. This follows the lead set by New Jersey Zinc the previous day.

On the London Metal Exchange zinc values rose slightly, with cash zinc up £1.125 at £135.5 a metric ton. In fact it had been widely anticipated on the LME that the U.S. producers would put up their prices by 2 cents a lb in view of the recent big rise in the European zinc producer quotation to £150 a ton and the developing shortage of supplies in the U.S. because of production cutbacks.

It is expected in some quarters that the present U.S. rise is only an interim one and could well be followed by another 1 cent rise in the not too distant future. Producers both in the U.S. and elsewhere claim that the latest price increases have not been sufficient to cover a sharp rise in costs.

Reuter reported from Vancouver that Cominco said it is increasing its selling price for zinc metal in Canada immediately by one cent a pound.

This makes prices for prime Western 17.00 cent a pound, high grade 17.6 cent and special grade *18.00* cents (Canadian funds).

Sharp fall in Indian sales of hessian

By Our Own Correspondent

NEW DELHI, July 27.

INDIAN Jute Mills Association has noted with great concern the sharp fall in U.S. purchases of hessian for packaging and industrial use.

Purchases of the fabric in 1970 fell to 609.4m. yards—the lowest total for 20 years.

The Association estimates that from the trend of consumption so far, the total for the current year may be even lower than the 1951 figure of 532m. yards.

U.K. share of N.Z. trade falling

BY ROBERT MAUTHNER, EUROPEAN CORRESPONDENT

BRITAIN'S SHARE of New Zealand's total exports has dropped substantially in the past few years, according to the annual report of the New Zealand Department of Industries and Commerce, tabled in the New Zealand Parliament earlier this week.

In 1970 no more than 34.3 per cent. of New Zealand's total exports went to Britain compared with 40.6 per cent. in 1968 and more than 84 per cent. in 1938.

The United States took second place in the export table with 17.2 per cent., followed by Japan with 9.9 per cent., Australia with 8.7 per cent. and Canada 3.4.

Exports of manufactured goods from New Zealand reached a record value of NZ$134.2m. last year, a rise of 28 per cent. over the previous record set in 1969.

These statistics show that New Zealand has already made considerable progress towards diversifying her markets and that Britain's entry into the EEC is likely to be much less of a disaster for the New Zealand economy than it is sometimes made out to be.

Even the dairy industry, which is still largely dependent on the British market, has been reorganised over the past decade or so to take account of New Zealand's changing trade patterns, as Mr. S. T. Murphy, general manager of the New Zealand Dairy Board has said.

In a letter in the latest issue of the New Zealand Listener, Mr. Murphy says that there is a common misconception that the dairy industry will have to undertake immediately an internal reconstruction and external market diversification programme in order to accommodate itself to a loss over the next 6½ years of access to the U.K. for 100,000 tons of butter and cheese.

"It is, in fact, many years since the industry recognised that the U.K. is not a growth market for New Zealand milk products," he writes.

Canadian newsprint price battle

BY OUR OWN CORRESPONDENT

MONTREAL, July 27.

WILL the $8 a ton rise in the price of newsprint proposed by Macmillan Bloedel, Canada's biggest in markets west of the Rockies, stick?

There is a strong belief in the industry that at least part of the increase may be held. The basic fact is that the market in the Western U.S. is strong and there is virtually no spare capacity available in Western mills and no new production capacity is due on stream for about another 18 months.

This is completely contrary to the situation in the Eastern U.S. and to some extent in the Mid-west—the chief market areas of the Eastern Canadian producers.

The Eastern producers are running at less than 80 per cent. of capacity and markets are decidedly soft. Industry spokesmen believe there is virtually no chance of bringing off a newsprint price increase in the Eastern, Southern and Midwest markets of the U.S. as long as conditions continue soft.

However, a price differential is normal between the markets west of the Rockies and the rest of the U.S. This varies due to several factors. For instance, in the mid-'sixties Macmillan shocked the industry by cutting its west coast prices $10 a ton in order to halt some of its publisher customers from investing in captive newsprint capacity.

In Vancouver last night, Crown Zellerbach Canada hinted strongly it might go along with at least part of the Macmillan increase proposed for November 1. An announcement was expected shortly.

More copper workers end strike

By Our Commodities Staff

A RETURN TO WORK at its Ray Mines Arizona division was announced by Kennecott, one of the U.S. copper producers, yesterday in New York.

The company also announced that agreement had been reached with the copper workers, who have been on strike since July 1, at all the 19 locals of its Utah mining division representing some 6,300 workers.

Another major U.S. copper company, Phelps Dodge, reported further progress in the labour contract talks at Tucson.

Despite the further signs that the U.S. copper strike is ending, London Metal Exchange copper prices went up slightly yesterday. Cash wirebars closed £6.50 up at £448.75 a metric ton.

Market sources *feel* that a settlement of the strike has probably been fully discounted already, and it is anticipated that U.S *producers will have* to raise their prices substantially to meet the costs of the new labour contract.

Tax refund on Spain exports of quicksilver

By Our Commodities Staff

THE Spanish Government is increasing the rate of tax refunds on exports of quicksilver from 1.5 to 9 per cent. with effect from August 1, it was announced in Madrid yesterday, reports Reuter.

The official bulletin said the tax refund increase was justified by present circumstances in the quicksilver market.

A *surplus* of supplies, and very little demand, has depressed quicksilver prices to very low levels. In the London free market yesterday *quicksilver* was being quoted at £106 per flask (of 76 lb each), very near to the lowest point for three years.

There was *a temporary* recovery in quicksilver prices recently because of a technical squeeze on the nearby position with many merchants selling "short" and then being unable to cover their positions. But the downwards trend has now been resumed.

The London free market cif prices compare with an official producer price, ex warehouse, of £212 a flask quoted by Italian producers.

NZ WOOL CHEQUE DOWN BY 7.2%

WELLINGTON, July 27.

THE average price paid for greasy wool at auctions in New Zealand in the season ending June 30 was more than three cents a kilo down at 53.42 cents on the 1969/70 season's average, the New Zealand Wool Commission announced.

Big potential for maize i[n] S.E. England, says repo[rt]

BY ROBIN REEVES, COMMODITIES EDITOR

GRAIN MAIZE could provide farmers in South and East England with a cash crop of "considerable potential," according to the annual report of the Home-Grown Cereals Authority, published yesterday.

The report says that development of grain maize production would have substantial marketing advantages. At present imports of maize exceed 3m. tons a year—so a home crop would have a ready market. It would also tend to displace barley acreage and thus help to ease anxieties about possible barley surpluses.

Cash crop

The report notes that grain maize was originally regarded as a break crop, but that it is now being thought of more and more as a cash crop. It stresses that while very profitable crops have been grown on small acreages, it is necessary to achieve greater economy in production by using over larger acreages the special and expensive equipment required. For this reason, the Authority welcomed the development of co-operation in maize growing among farmers.

The report calculates that if one per cent. of the cereals area suitable for maize growing changed over to maize, this could produce some 35,000 tons worth a potential saving in foreign exchange of £1m.

There is tangible evidence that reasonable grain maize crops could be grown from existing varieties in the right conditions and correct cultivation techniques. "But there is no doubt that varieties better adapted to the British climate and systems of husbandry would be a great advantage." To this end the Authority has made a grant to the Plant Breeding Institute, Cambridge, towards a breeding programme.

The Authority thinks that the change in the system of Government support from deficiency payments to import levies should encourage the growing of grain maize. When the new system of support is fully operative, grain maize growers will get the same support as growers of wheat, barley, oats and rye. Under deficiency payments there has been no guaranteed price for this grain.

Commenting on the overall prospects for cereal marketing over the coming year, the report says that the change in Government policy is adding to the usual uncertainties.

The precise effects of the higher minimum import prices introduced on July 1—at the lowest points in the seasonal scales at the start of the year—are difficult to forecast, "particularly in relation to the demands for domestic grains during the period of the harvest flush."

"Nor can one be sure how the marketing attitudes of growers might change under the system of rising scales of m[ini]mum imports prices in plac[e of] the old storage incentives w[hich] guaranteed some reward [to] growers holding in their g[rain] for later marketing," says [the] report.

Transport costs

However, the Authority d[oes] suggest that the change in wh[eat] deficiency payments from a t[on]nage to an acreage basis [will] encourage consumption on far[ms] of origin, though there is [no] guide to the possible ext[ent]. Furthermore, rising transp[ort] costs should greatly stimul[ate] farm mixing of animal feeds.

"Any increase in transp[ort] costs will play an important p[art] in determining domestic pri[ces] according to whether supp[ly and] demand situations favour inla[nd] markets or port markets," [the] report adds.

The tonnage of gr[ain] registered under the Authorit[y's] forward contract bonus sche[me] last season was 15.4 per ce[nt] lower than in 1969-70. Wh[ile] this was a reflection of t[he] smaller production in 1970, the report says it was mainly d[ue] to a lower level of forward c[on]tracting.

At the same time, some per cent. of wheat forward co[n]tracts and nearly 54 per ce[nt] of barley contracts we[re] registered at prices of £30 a[nd] over.

Soviet plan to boost fish catche[s]

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

THE RUSSIANS, if Soviet planners have their way, are to eat more and more fish. Current consumption is estimated to be about 38 lbs a head a year, a *figure which is expected to grow*—given a big rise in quantities of fish caught—to perhaps more than 50 lbs by 1975.

The *fish processing industry*, as these planners themselves admit, is under-developed throughout most of Eastern Europe. The aim now is, through a substantial increase in the number of ships, processing factories, and refrigerator vessels, that the total catch (by the Russians and their Comecon allies) should go up from 9m. tons last year to nearer 14m. tons at the end of the newly started five-year period.

The Russians have, of course, the biggest industry. They landed 7¾m. tons of "fish and sea food" last year, and have high hopes of fulfilling this year's target of 8m. tons ahead of schedule. Nearly 5m. tons were caught in the year's first six months.

Poland is also planning substantial investments in its industry. A big refrigeration plant is to be built near Szczecin, the fleet increased, and the catch stepped up from 450 000 tons last *year to 600,000 by 1975.*

Bulgaria, where fish consumption is considerably smaller than the Russians', is building big *processing* plant on the Black Sea coast, and will send most of its output to the Soviet Union. At the same time, the East Germans are talking of developing their fleet and fisheries, and also of building a pipeline to carry fish to land-*locked areas.*

The Soviet authorities meanwhile are complaining that herring fishing should be further restricted in the North Sea. A recent declaration by the Soviet Institute of Fisheries and Oceanography suggested that the most effective means of building up the numbers of herring available would be to establish an annual quota for catches.

The introduction by the North-East Atlantic Fishing Commission of a closed season during May and from August 20 [to] *September 30 had not solved t[he]* problem. The published deta[ils] of the Institute's proposals d[o] not say how the quotas would b[e] *"policed."*

Plea to end Uganda coffee monopoly

KAMPALA, July 27.

THE Uganda Washed Coffee Pr[o]ducers Association said it h[as] petitioned President Idi Amin [to] remove the monopoly of coff[ee] processing from the co-operati[ve] movement.

The association told Gene[ral] Amin in a memorandum its me[m]bers have built 226 process[ing] factories at a cost of $4m. sh[ill]ings, but these have been l[idle] since the Government of [former] President Milton Obote award[ed] a monopoly to the co-operativ[es]

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Closed higher on the London Metal Exchange. Influential buying and bear covering took forward metal up to £459½ at one stage before the price eased fractionally to close at £458. Progress made to date to end the strike of U.S. copper workers had little market impact. Turnover, 6,450 metric tons.

Henry Gardner and Co reported that in the morning, wirebars cash traded at £447 to 49, 48.5, mid-Sept. £456, early Oct. £458.5, three months £458, 59, 58, 57.5, 58, 58.5, 59, 58.5. Cathodes: cash £436. Kerb: Wirebars: cash £448.5, three months £459, 58.5, 58. Cathodes: cash £436, mid-Sept. £443. Afternoon: Wirebars: cash £450, 49, 49.5, 49, late July £450, three months £459, 58.5 to 58.5. Cathodes: cash £437, 37.5, three months £447.5. Kerb: Bars: early Aug £449, three months £455, 58.5. Cathodes: cash £437.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Wirebars				
Cash	448.5-9	+7	449.5-9	+6.5
3 months	458-9	+6.75	459.5	+6
Settlem't	449	+7	—	......
Cathodes				
Cash	434.5-5.5	+5.25	437.8	+6.25
3 months	446-7	+6.25	447-8	+6
Settlem't	436.5	+5.5	—	......
N.Y. Smelt.	-	......	*52.75-55	......

TIN—Up again. The rise in Penang, a little U.S. consumer interest and bear *covering combined to further rally prices* although they closed below the day's top levels. Turnover, 440 tons.

Morning: cash £1,433, 37, 38, late July £1,434, three months £1,450, 51. Kerb: cash £1,436, 37. Afternoon: early Sept. £1,447, three months £1,451. Kerb: three months £1,451.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	1436-7	+5	1436-7	+2.5
3 months	1450-1	+5	1451-2	+1
S'ment	1437	+5	—	......
Straits Eq.	1460.69	+2.02	-	......
New York		......	164.88	......

LEAD—Gained ground. Increased buying interest was prompted by the firmness in zinc and prices closed at around the day's highest levels. Turnover, 3,250 tons.

Morning: cash £109.75, 9.5, early Oct. £112, three *months* £112, 12.5, 12.25, 12. Afternoon: cash £109.75, three months £112.25.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	109.5-.75	+.5	109.75-10	+1
3 months	112.25	+.5	112-.5	+.625
S'ment	109.75	+.5	—	......
N.Y.Spot	—	......	*14-14½	......

ZINC—Rallied strongly. The increase in the U.S. producer price caused renewed firmness and forward metal touched £139 before easing to £138½ owing to profit taking. Turnover, 2,900 tons.

Morning: cash £135, 35.5, mid-Sept. £137.75, 37.25, three months £139, 38.5, 38.25. Afternoon: cash £135.5, late Oct. £138.25, three months £138.25, 38.5.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	135.25-.5	+1	135.25-.75	+1.125
3 months	138.25-.5	+.75	139.25-.5	+1
S'ment	135.5	+1	—	......
E.St. Louis	—	......	*17	......

* Cents per lb. † On previous unofficial close.

SILVER

SILVER (per troy oz.)	Bullion fixing (selling prices)	+ or —	LME close	+ or —
Spot	64.1p	—0.3	64.55p	......
3 months	65.4p	—0.3	65.65p	+0.1
6 months	66.8p	—0.3	—	......
7 months	-	......	67.5p	+0.1
12 months	69.7p	—0.3	—	......

LME—Turnover 56 (112) lots of 10,000 ozs. Morning: Cash 64.3p, three months 65.4p, 65.3p. Afternoon: Cash 64.0p, three months 65.7p. 65.6p.

COCONUT OIL

Dull and featureless, reports G. W. Joynson. Close: Sept. £123-£127 (same), Nov. £121-£127 (same), Jan. £120-£126 (same), March £119-£125 (same), May £118-£124 (same), July £117.0-£123.0 (same), Sept. £116.0-£122.0. *Turnover 0 (0) lots of* 20 tons each. Price basis ex-tank Rotterdam.

COCOA

Futures rose strongly in active conditions with origins leading in only limited quantities, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 3 Contract			
July	236.5-7.5	+5.5	235.0-7.5
September	242.5-3.0	+5.0	235 0-43.0
December	249.5-50 0	+5.0	247 0 51 0
March	256.0-6.5	+5.5	255 5 7.0
May	259.5-60.0	+5.0	257.5 60.0
July	263.0-4..	+5.5	261.0-4.5
September	265.0-7.0	+5.0	265.5-7.5

Sales: 5,559 (1,736) lots of 5 tons each.

FREIGHTS

DRY CARGOES—Slightly more active conditions ruled, with a large cargo of wheat fixed from the U.S. Gulf to Rio de Janeiro at $3.75 f.i.o. for August and a cargo of fertiliser from the U.S. Gulf to Brazil at $5.50 f.i.o. for August. A cargo of soyabean meal, 5,700 tons, was booked from the U.S. Gulf to Bordeaux at $41.000 f.i.o. for August. In the coal section business developed from Hampton Roads to Japan at $7.70 free discharge for Sept-Oct. loading. Sugar-shippers covered cargoes from Queensland to the U.K. at *$6.52½ free discharge for August and Sept.*

Other sugar bookings included Brazil to Saigon at $11.40 f.i.o. for August, and Santos to Dakar at $10.75 f.i.o. for August, while a Sept. cargo from Lourenco *Marques to Montreal and Toronto paid* $3.07½ f.i.o. Indian Government brokers withdrew an order for diammonium phosphate from Jacksonville or Taft to India, having apparently fixed an Indian *Line vessel but entered the market for* wheat from Port Churchill to India for August 9-23. Time charterers open for 500,000-700,000 of bale vessel for a voyage from Singapore-Philippines to Great Lakes-U.K.-Cont. Sept. 5-10.

OIL TANKERS—Quiet with few fixtures. Hess took a Shell 57,000-tons tanker from the West Indies to USNH, prompt loading, at Worldscale 87. No Persian Gulf fixtures of importance were reported but there was continued activity in the period charter market.

COFFEE

Futures *displayed a fully steady* trend on commission house buying in a thin market but the market later drifted back slightly as sellers showed more trading interest. By the close values were unchanged to £1 per long ton higher on balance in a turnover of 252 lots.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per ton		
July	367.0-7.5	+0.5	367.0-8.0
September	368.5-9.0	......	368.0-9.5
November	355.0-5.5	+1.0	358.5-7.0
January	350.0-0.5	+1.0	350.0-1.0
March	345.5-5.0	+0.5	346.0-5.5
May	343.5-4.0	+1.25	343.5-4.5
July	341.0-1.5	+1.25	—

Sales: 252 (181) lots of 5 tons each.

Latest published ICO indicator prices (U.S. cents per pound): Colombian Mild Arabicas 48.00 (same), Other milds 45.75 (45.50), Unwashed Arabicas 42.13 (same), Robustas 42.32 (same). Daily average 43.73 (43.73).

COTTON

Unchanged reports Eccles and Stern. (New pence per kilo)

COTTON	Yesterday's Close	+ or —	Business Done
July	30.60-.80	......	—
October	30.40-.80	......	—
December	30.40-.80	......	—
March	30.40-.80	......	—
May	30.40-.80	......	—
July	unquoted	......	—

Turnover 0 (0) lots of 10,000 kilos each. Strict middling 1 1/16 inch. Pressley 78,000 lbs square inch micronaire 3.5-4.9.

LIVERPOOL—Spot and shipment sales amounted to 505 metric tons, bringing the total for the week so far to 758 tons, writes F. W. Tattersall. More orders were reported, mostly in African and *South American growths, while scattered* support was mentioned in Middle Eastern and U.S. qualities.

RUBBER

UNCHANGED opening, quiet conditions throughout the day and the market closed slightly steadier. Lewis and Peat reported a *godown* price of 88 Malayan cents a kilo (buyer, August).

Contract	Previous Day's Business	12.45 p.m. Official prices	Closing buyers prices	Rise or fall
C.I.F.	p	p	p	p
August	not avail.	15.46-.55	15.45	......
Sept.	not avail.	15.75-.0	15.75	......
Oct.	not avail.	14.1-.4	14.-.0e	—
Landed				
Spot	—	14.45-.65	14.65	......
Sept.	—	14.9-.15.05	16.0	......
Oct.	—	15.15-.35	15.25	+0.05
Nov.	—	15.45-.55	15.55	......
Oct.-Dec.	15.55	15.45-.55	15.65	+0.05
Jan.-Mar.	—	16.05-.2	16.15	+0.05
Apr.-Jne.	16.9	16.8-.9	16.9	+0.1
July-Sept.	17.55	17.35-.5	17.4	......
Oct.-Dec.	—	17.85-18.0	17.9	......
Jan.-Mar.	—	18.25-.45	18.3	+0.05
Apr.-Jne.	—	18.75-.9	18.8	+0.01
July-Sept.	—	18.9-19.1	18.95	+0.05
Oct.-Dec.	—	19.2-.4	19.25	+0.05

* Nominal.

Malayan thick crepe Aug. 19.3* (seller). Ceylon thick crepe Aug. 22.70* (seller).

GRAINS

HGCA—Average ex-farm spot prices. Feeding barley—Ashford £21.75, Salisbury £21.55.

THE BALTIC—U.S. corn for end-year transhipment continued to meet a fair buying inquiry, but actual trading remained slow. Other imported grains were dull.

Wheat: Canadian Manitoba No. 2 Aug. transhipment £31.75 seller East Coast, U.S. *Red Winter No. 2 Aug. transhipment* £27.75 seller East Coast, U.S. Hard Winter No. 2 13½ per cent. Aug. transhipment £29.70 seller East Coast, Australian f.a.q. Oct. transhipment free-out £29.25 seller Tilbury, French Aug.-Sept. *£28.50 East Coast* quoted.

Maize: No. 3 Yellow American Aug. £27.80 seller Tilbury. Canadian No. 2 Aug. £26.25 seller Avonmouth levy buyers account.

LONDON HOME-GROWN FUTURES—Wheat, quiet. Close: Sept. 23.775, Nov. 24.025, Jan. 25.500, March 26.450, May 26.900. Business: nil. **BARLEY**—Barely steady. Close: Sept. 22.850, Nov. 23.750, Jan. 24.590, March 25.225, May 26.075. *Business:* Sept. 22.950/22.850, Nov. 23.750 only, Jan. 24.500 only, March 25.400/25.300, May 26.075 only.

SOYABEAN OIL

Quiet and untraded, reports G. W. Joynson.

Soyabean Oil	Yesterday's Close	+ or —	Business Done
	£'s decimal long ton		
September	140.5-2.5	—0.1	—
November	155.0-8.5	—0.75	—
January	130.0-5.0	......	—
March	128.0-34.0	—1.0	—
May	128.0-34.0	......	—
July	127.0-33.0	—0.9	—
September	128.0-35.0	......	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

SUNFLOWER OIL

Quiet and untraded, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or —	Business Done
	£'s per long ton		
September	165.0-72.5	—0.5	—
November	163.0-70.0	+0.25	—
January	160.0-70	+0.25	—
March	158.0-66.0	—0.5	—
May	155.0-65.0	—0.5	—
July	154.0-64.0	—0.5	—
September	153.0-63.0	......	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

SUGAR

LONDON DAILY PRICE—Unchanged at £42.30 a ton c.i.f. for July-Aug. shipment. After opening at slightly lower levels, prices edged upwards as buyers found a scarcity of selling interest, *reports C. Czarnikow. Higher New York* advices later brought a spate of arbitrage buying and gains of up to 50 points were quickly recorded. Heavy selling to December—mainly from one quarter—caused buyers to back off, however, and gains were halved, but the lower levels were short-lived and values had lifted to *within 10 points of highs by the closing call.*

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug.	42.70-.80	42.50-.55	42.60-.90
Oct.	45.10-.15	42.60-.65	45.60-43.20
Dec.	45.20-.25	42.60-.65	43.60-43.35
Mar.	44.20-.35	43.65-.65	43.85-44.25
May	44.15-.55	43.55-.65	43.55-44.85
Aug.	45.80-.85	43.25-.30	43.30-.80
Oct.	45.70-.75	45.10-.30	43.20-.70

Sales: 1,797 (1,217) lots of 50 tons each.

Tate and Lyle's ex-refinery prices for granulated in 1-cwt paper sacks were £4.177 (£4.16) for home trade and £58.30 (same) per ton for export.

WOOL FUTURES

MERINOS—Neglected, reports Bache. (New pence per kilo)

Dry-combed wooltops	Yesterday's Close	+ or —	Business Done
July	—	......	—
October	80.0-2.0	......	—
December	83.2-3.8	......	83.5
March	84.0-4.8	......	—
May	84.5-5.3	+0.15	—
July	86.0-6.0	+0.15	—
October	85.5-7.0	......	—
December	86.2-7.5	+0.1	—

Turnover: 3 (10) lots of 2,250 kilos.

SYDNEY—Quiet. Close: Oct. 63.5-63.7, Dec. 64.3-64.5, March 66.1-66.3, May 67.1-67.4, July 68.2-68.5, Oct. 68.4-68.8.

JUTE

DUNDEE—Quiet, unchanged. Offers c.i.f. U.K. for Aug.-Sept. shipment: PWB £155.50; PWC £145; PWD £136.50; Tossa PTE £165; PTC £156; PTD £146. Calcutta goods easier. Quotations c. and f. U.K. *for July shipment*: 10-oz 40-inches £6.67; 7½-oz £5.04 per 100 yards. August: £6.75 and £5.05. September: £6.63 and £5.04. "B" Twills £17.98, £18.16 and £18.36 for respective shipment periods. Yarns and cloths *quiet, with prices irregular.*

LONDON—Quiet. PWC grade Aug.-Sept. £145.50 seller, PWD grade Aug.-Sept. £137.00 seller. A long ton.

CALCUTTA—Steady. Indian spot Rs.375.00 value. Dundee Daisee spot Rs.360.00 value. A bale of 400 lbs.

MEAT/VEGETABLES

SMITHFIELD—*Beef:* Scottish killed sides 18.5p to 20.5p, Ulster hindquarters 23.3p to 24.2p, Ulster forequarters 12.5p to 13.3p, Eire hindquarters 22.5p to 24.2p, Eire forequarters 12.5p to 13.3p. Argentine *chilled boneless cuts—strip loins 35.0p* to 38.7p, rumps 30.0p to 35.0p, top sides 27.5p to 30.0p, silversides 26.7p to 27.5p, thicks 26.7p to 27.5p, ponies 16.7p to 18.3p.

Veal: English fats 30.0p to 35.0p, English fats (high quality) 36.0p. English bests 18.0p to 20.0p, English mediums 15.0p to 18.0p, English bobbies 12.0p to 15.0p.

Lamb: English medium 15.5p to 20.0p, English heavy 15.0p to 16.7p, Scottish medium *16.7p* to 18.3p, Scottish heavy 15.0p to 16.7p, Eire 15.0p to 16.7p. Imported frozen—N.Z. II's 13.1p to 14.2p, N.Z. 2's 12.5p to 13.3p, N.Z.S's 12.1p to 12.5p, N.Z. YL's 11.9p to 12.9p, N.Z. YM's 12.0p to 12.9p.

Ewes: 5.0p to 7.0p, (high quality) 8.0p.

Pork: English, under 100 lbs 10.0 to 14.2p, 100-120 lbs 10.0p to 13.3p, 120-160 lbs 11.2p to 12.5p, 160-180 lbs 10.4p to 11.5p, *180 lbs* and over *10.0p* to *10.8p. Eire, all* weights 11.4p to 11.7p.

Meat Commission average prices at representative markets yesterday. U.K. cattle average £12.29 per live cwt. (−0.17 *on previous week*), *sheep* average 17.8p a pound edcw (−0.7), pigs average £1.78 a score (same). England and Wales: Cattle numbers up 10.7 per cent., average £12.29 (−0.21), sheep numbers down 0.8 per cent., average 17.9p a pound (−0.8), pig numbers up 22 per cent., average £1.77 (same).

COVENT GARDEN—Imported produce: Grapefruit—South African: 32 £2.30-£2.35, *36 £2.35-£2.40, 40 £2.50-£2.55, 48 £2.75-£2.80,* 56 £2.55-£2.60, 64 £2.40-£2.45; Israeli: Jaffa 32 £2.50-£2.60. Oranges—Brazilian: £1.50-£1.60; Israeli: Valencia Lates £1.35; South African: 56/150 £1.65-£1.80; Californian: 88/113 £1.50-£1.75. Lemons—Italian: 100/120 £2.50-£2.65; South African: £2.50-£3.25; Californian: £3.80-£3.00. Melons—Israeli: Ogen £1.30-£1.40, yellow £1.30; Spanish: Yellow £0.80-£1.00; French: Charentais £1.00-£1.10. Water-Melons — Cyprus: 4s 180. *Grapes*—Belgian: Per pound Royal £0.25; Cyprus: Sultana £0.03-£0.04. Apples—Tasmanian: Sturmers £3.40, Democrats £2.60-£2.70, Granny Smith £3.50, Croftons £2.80; West Australian: Granny Smith £2.60-£3.70; *New Zealand*: 80/100 £3.10-£3.30; Victorian: Yates £2.80. Pears Australian: Packham's £2.30, Josephines £2.30, Winter Nelis £1.50; Italian: Per pound Guyots £0.05; French: per pound Dr. Guyots £0.05. Peaches—French: £0.50-£0.60; Italian: Large £0.70-£0.80. Apricots—Hungarian: £0.80. Plums—Spanish: Per tray Japs £0.55, Santa Rosas £0.50-£0.90; Italian: Per tray Burbanks £0.50-£0.80, large trays 18 lbs £0.90-£1.10. Avocados—South African: 12/20's £2.75-£3.00. *Tomatoes—Guernsey*: Per pound £0.06-£0.10; Jersey: £0.06-£0.10; Dutch: £0.09. Onions—Spanish: £0.60-£0.75; Israeli: £0.00; Maltese: £0.60. Courgettes—French: Per pound £0.02. Capsicums—Italian: Per pound £0.00.

English produce: Cabbage—Crate £0.60. Lettuce—Round, 24's £0.50, Cos 12's £0.45. Potatoes—New crop: £0.40-£0.60. Mushrooms—Per pound £0.20. Cucumbers—*Per tray 12/18's £0.65-£0.50. Cauliflowers* 12's £0.40-£0.50. Tomatoes—Per pound £0.09-£0.11. Celery—12/30's £0.85. Runner Beans—£0.04-£0.05. Peas—Per bag, approx. 36 lbs £0.70-£0.80. Carrots—28-lb bag £0.50-£0.60. Beetroot—Per bag £0.30-£0.40. Courgettes—Per pound £0.05. Gooseberries—Per pound £0.05, Levellers £0.05-£0.60. Cherries—Per pound £0.05-£0.09. Apples—Per pound Grenadiers/Early Victorias £0.06.

★

LONDON TEA SALE—11,926 packages. There was a good demand for plain mediums, which sold well at fully firm rates. Brighter liquoring Dimbulas were generally firm with buyers closely following quality. Low-growns were firm. S. India 240 packages. Demand was restricted but prices were firm. Price indications: Quality 51p, medium 45p, plain 33p.

★

HIDES—Manchester. Prices steady with good clearance. Second clear ox 31-31.35 kilos 13.2p per kilo, 26-30.5 kilos 14.6p, 22-25.5 kilos 10.1p, cows 25.5 kilos and under 15.5p. First clear calf under 4 kilos none offered.

† Withdrawn.

PRICE CHANGES

Prices per ton unless otherwise stated.

	July 27 1971	+ or —	Month ago
Metals			
Aluminium (a) (x)	£257.20	......	£257.2
Copper			
Cash Wire Bars (x)	£448.75	+5.5	£436.25
3 months do. do. (x)	£458.25	+6.0	£446.75
Cash Cathodes (x)	£437.5	+6.25	£428.75
3 months do. do. (x)	£447.5	+6.0	£439.25
Gold ...... Troy ozs.	$42.05	+0.25	$59.95
Lead, Cash, (x)	£109.875	+1	£110.75
3 months (x)	£112.25	+0.625	£112.75
Nickel (x)	£1,246.5	......	£1,246.5
Platinum (b) troy oz.	£50	......	£50
Freemarket	£46½-50	......	£43-47
Quicksilver (76 lbs.)	£212	......	£312
Silver Troy oz.	64.1p	—0.3	66.1p
3 months	65.4p	—0.5	67.6p
Tin, Cash (x)	£1,436	+2.5	£1,435
3 months (x)	£1,451.5	+1.0	£1,451.5
Wolfram 22.04 lb cif	£18½-19½	......	£20.5-23
Zinc, Cash (x)	£135.5	+1.125	£129.75
3 months (x)	£138.375	+1	£132.875
Producers (x)	£150	......	£150
Oils			
Coconut, Malayan	£147 (m)	......	£158
Groundnut			
3.5%	†£190 (r)	......	£195
Linseed Crude	†£110 (r)	......	£108.5
Palm-Malayan	†£115 (h)	......	£108
Soyabean	†$346 (z)	—4	$515
Seeds			
Copra Philipp. son	†$192 (z)	—1	$202
Gr'ndnuts Niger'n	†£104 (o)	......	‡
Linseed Crude No. 1	†£48 (z)	......	£48.36
Grains			
Barley			
Can No. 2	£26.25	......	£27.45
Home Futures	£23.72	—0.10	£24.50
Maize			
No. 3 Yellow Am.	£27.90	+0.10	£30.70
S.A. Yellow Flint	‡		‡
Wheat			
No. 2 Manitoba	£31.75	+0.32	£32.55
No. 2 Hard Winter	£29.07	—0.33	£31.80
Australian	£29.2n	......	£29.25
English Milling	£24-½	......	£30-½
Cocoa Shipmt (x)	£249.0	+5.5	£233
futures Sept.	£242.75	+6.0	£236.25
Coffee Shipment (c)	39.00	......	52.25
futures Sept.	£368.75	+1	£362.25
Cotton Liverpool cif			
index cents per lb.	54.05	......	33.35
Jute LJA PWC	†£145.50 (j)	......	£150.2
Rubber ...... Kilo	14.45p	......	16.7p
Sisal EA 3L (x)	£78-79	......	£78-79
Sugar	£42.50	......	£44
Wooltops 64s ...... Kilo	90p	......	90p
Cloves	79½p	‡	79½p
Pepper White ...... ton	£460 (j)	+7.5	£435
,, Black ...... ton	£350 (j)	+2.50	£355

* Nominal. † Seller. ‡ Unquoted. ‡ Unofficial close. ♣ Indicative price. n Canadian delivered, U.K. U.K. and Commonwealth refined. c Uganda Robusta grade 10 unwashed f.o.b. Mombasa cents a pound. d Pakistan white "C." w Ex-warehouse. z C.I.f. U.K. x Metric tons. r July. t Aug. # June-July. y Sept. k May-July. j July-Aug. m Aug.-Sept. q Oct.-Nov. n Nov.-Dec. p Sept.-Oct. z Jan.-Feb. u Dec. h Dec.-Jan. o Feb.-Mar.

INDICES

FINANCIAL TIMES

July 27	July 26	Month ago	Year ago
95.05	94.57	85.47	88.34

(Base, July 1, 1952=100)

REUTER'S

July 27	July 26	Month ago	Year ago
524.2	523.4	525.7	571.7

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	July 27	July 26	Month ago	Year ago
Spot	140.75	141.00	145.35	143.55
Futures	145.11	142.96	145.52	139.07

(Average 1924-25-26=100)

MOODY'S

Moody's	July 27	July 26	Month ago	Year ago
Sple Comm'dy	369.0	369.6	375.2	407.3

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, July 2[7]

COMMISSION HOUSE and chartist b[uy]ing as the market penetrated re[cent] highs lifted cocoa, absorbing trade he[dge] *selling. Soyabean oil eased early* [but] rallied strongly on reports of ex[port] business to Yugoslavia. Soyab[ean] mirrored soyabean oil. Corn fell o[n] lack of fresh blight developments, [and] the new crop progressing favour[ably]. Wheat followed corn, Bache reports.

Cocoa—Bahia spot 27½ (26). Ghana 29½ (23½). Sept. 26.30 (25.90), Dec. 125.85 (125.15), March 26.57 (26.15), May (26.49), July 27.21 (26.63), Sept. (27.12), Dec. 27.36 (27.47). Sales. 1,2[..]

Coffee—Santos No. 2/3 unquoted (sa[me]) Santos No. 4 unquoted (same). Colom[bian] Mams 47.75 asked (same).

Copper—Sept. 50.10 149.25 settleme[nts], Oct. 50.15 (49.30 settlements), Dec. [..] Jan. 50.30. Sales, 659 lots.

Cotton—Contract No. 1 Aug. 24.00 (24.00 bid), Nov. 22.00 nom. (same), 22.00 bid, Apr. 22.00 nom., June nom. Contract No. 2, Oct. 30.45 (30.91), Dec. 31.01-31.05 (30.56-30.60), [..] 31.77-31.80, May 32.15-32.18 bid. July bid, Oct. 30.15, Dec. 30.00.

§§Cottonseed Oil — Sept. 10.00 (same), Oct. 10.55 bid (10.45 bid), 16.35 bid, Jan. 16.35 bid, March 16.[..] May 16.35 bid, July 16.35 bid, Sept. bid. Sales, nil.

♣Greasewool—Spot 83.5 nom. (nom.), Oct. 61.0-61.5 (62.4), Dec. 64. 164.8-64.8), March 69.5-69.8, May 71.5, July 71.4-72.0, Oct. 73.8-74.0, 74.5-75.0.

Lard—Chicago loose 12½A (12½ [..]) N.Y. drummed 15½A (15½).

††Maize—Sept. 135½ (139½-139½), 131½-131½ (135½-135½), March 136½-136[..], 138½, July 140½.

‡Mercury—Sept. 1250 (same), De[c.] (same), March (280), May 280, Jul[y] Sept. 280, Dec. 280 settlements. Sal[es]

‡Silver—Spot 156.7 (156.2), July 155.80, Aug. 156.60 (155.60), Sept. [..] Dec. 161.00, Jan. 162.10, March [..] May 167.00, July 169.40, Sept. 171.[..] tlements. Sales, 1,272.

*Soyabeans — Aug. 336-335½ (336.3), Sept. 334½-334½ (333.2), Nov. 327½, Jan. 330-330½, March 333, May 335½, July 336½.

bSoyabean Meal—Aug. 87.20 [..] Sept. 86.40 (86.85-86.70), Oct. 82.50, 82.10, Dec. 82.00, Jan. 81.90-81[..] March 82.65-82.75BA, May 83.[..] July 83.80-83.90BA.

Soyabean Oil—Aug. 14.73-14.74 14.46), Sept. 14.25-14.26 (14.08-14.07) 13.75-13.74, Nov. 13.29, Dec. 13.[..] *Jan.* 13.00-13.02, March 12.82-12.8[..] 12.75, July 12.51-12.53.

Sugar—Contract No. 11 Spot 4.22 Sept. 4.22-4.24 (4.20-4.15), Oct. 4.26 Jan. 4.40N, March 4.44-4.43, Ma[y] July 4.42-4.43BA, Sept. 4.40N, Oc[t.] Sales, 1,551.

Tin—164.00-165.75 asked 1165.36 [..]

**Wheat—Sept. 148½-148½ (151½), 151½ (154½), March 153½, May 15[..]

WINNIPEG, July 27—dRye—Ju[ly] 110¾), Oct. 104½ (105½ asked), De[c.] May 108½.

cOats—July 74 (74½), Oct. 74½ (73[..]) 73½, May 73½.

§Barley—July 112½ (113½), Oc[t.] (same), Dec. 110½, May 109.

dFlaxseed—July 241½ (243 bid) 245½ (246½), Nov. 244½, Dec. 24[..] 253½.

Wheat—Northern Manitoba No. (181½).

All cents per pound ex-warehous[e] otherwise stated. * Cents per 60-lb ex-warehouse. † Chicago loose 100 lbs—Dept. of Ag. prices 1 day. Drummed $'s per 10 lbs f.o. ‡ $'s per 76-lb flask ex-warehouse. per 56-lb bushel ex-warehouse. per 60-lb bushel in store. †† Ce[nts] 56-lb bushel ex-warehouse, 5,00[0] lots. ‡‡ Cents per troy ounce ex-w[..] b $'s per short ton f.o.b. car[..] c Cents per 45-lb bushel. d Cents [per] bushel ex-warehouse, 1,000-bush[el] §§ Basis Lubbock, Texas. ♣ New [..]

COPRA—Philippines-Indonesia[n] $188, Aug. $192 Sept. $195, O[ct.] resellers.

★

GRIMSBY Fish—Moderate su[pply] demand. Shelf cod 70p to £1.10; 50p to 55p; medium plaice £2.60 coalfish 40p; catfish 90p.

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American News

End of U.S. telegraph strikes in sight

By Nicholas Colchester

NEW YORK, July 27.

THE END of the two-months old U.S. telegraph strike seemed in view to-day when Western Union Telegraph announced that it had reached an agreement with the United Telegraph Workers Union over a wage contract for 17,000 workers for the next two years.

The stumbling block that remains is the 1,177th local of Communications Workers of America, which represents about 3,000 workers in the New York area and which has yet to agree to the terms. Western Union said that negotiations with this local are continuing.

The agreement with the UTW provides for a 21 per cent. increase in pay over two years—12 per cent. in the first year and the remainder in the second. This settlement is in line with the ten per cent.-a-year-norm that seems to have been established over the rest of U.S. industry. The details of the agreement have still to be ratified by union members.

Meanwhile, Western Union published profit figures for the first half which highlight the effect of the strike. The company's earnings for the six months were the equivalent of 50 cents a share compared with $1.53 by this time last year. The second quarter profit, which included the effect of one month of the strike, was down from $8m. to $1.3m.

ALBERTA TO HOLD ELECTION

By Our Own Correspondent

OTTAWA, July 27.

PREMIER HARRY STROM has called a general election in the Province of Alberta for August 30. The Social Credit Government has been in power in the prairie province since 1935. The only serious challenge in the oil-rich province is expected from the Conservatives led by Peter Lougheed.

At dissolution the Government held 54 seats, the Conservatives 10. After redistribution there will be 75 seats up for election.

Lockheed's chance of loan before deadline 'doubtful'

BY GUY DE JONQUIERES

WASHINGTON, July 27.

LOCKHEED'S chances of getting its $250m. loan guarantee from Congress before the British Government's deadline expires received a gloomy assessment to-day from both the Democratic and Republican leaders in the Senate, where the proposal is facing its toughest opposition.

The U.K. Government has called for action on the Lockheed Bill by August 8, and has threatened that if this deadline is not met it will have to consider cancelling Rolls-Royce's contract to supply engines for Lockheed's L-1011 Tri-Star programme. The Congress recesses on August 6 and will not return until September.

Large margin

The chief reason for the doubts about the Bill lies in the defeat yesterday, by an unexpectedly large margin, of a "cloture" motion calling for a 100-hour limit on debate. A new motion is scheduled for Wednesday and others are being considered by Lockheed supporters for the following days.

Senator Mike Mansfield, who opposes the Lockheed Bill, said to-day that he thought that the legislation would face more difficulty in winning approval than had been anticipated. "It looks doubtful now that we can get cloture," he added. Senator Hugh Scott, Mr. Mansfield's counterpart on the Republican side, supports the Lockheed Bill. But he conceded that it would be "an uphill battle" to rally the two-thirds majority required for cloture to-morrow.

The British Government is aware of the obstacles that the Bill is facing in the Senate and there have been indications that it would be prepared to extend the deadline, particularly if the Bill is passed by the House of Representatives before the recess, as is generally expected.

Renegotiations of the deadline would almost certainly require a new round of discussions between British officials, Lockheed and possibly the U.S. Administration. A major factor here, however, would be the attitude taken by Lockheed's airline customers. TWA has set a deadline for Congressional action, also by August 8, and two others have set time limits expiring in mid-August and early September.

Lockheed might have greater difficulty in persuading the airlines to extend their deadlines than it would have with the British Government.

A further shadow has been cast across the picture by the introduction of an amendment by Senator Adlai Stevenson which would give Congress the opportunity to veto loan guarantees specifically for Lockheed, even if the pending legislation, which would make available up to $2,000m. in assistance for ailing companies, is approved.

The amendment is designed to plug a loophole in the Senate Bill, which would deny Congress the right to veto loan guarantees for any company before October 1. If the broad assistance legislation is passed before that date, Lockheed will get its loan guarantees automatically.

Lockheed supporters tried to get this amendment deleted yesterday, but failed. However, if the amendment is to become operative, it must be sanctioned by a Senate vote, which has yet to take place.

The ranks of the opponents of the broad assistance legislation were swelled this morning by the Washington Post. In an editorial the newspaper said it had "grave doubts" about the wisdom of the proposal on the grounds that it "would greatly weaken the incentives of major corporations to cut waste and hold down costs."

Commonwealth Caribbean states seek new political grouping

BY HUGH O'SHAUGHNESSY

THE establishment of a new political grouping in the Commonwealth Caribbean may be the final result of discussions just ended in St. Georges, the capital of Grenada, between the premiers of Guyana and the Associated States (St. Kitts-Nevis - Anguilla, Antigua, Dominica, St. Lucia, St. Vincent and Grenada). Mr. Francis Prevatt, Trinidadian Health Minister, was also present.

A "Declaration of Grenada" was approved at the meeting. It will be published on November 1 and will provide for new consultations about political union. The Whitehall-sponsored West Indies Federation collapsed in disarray in 1962.

The grouping of territories at the Grenada meeting is strongly reminiscent of the group which founded the Caribbean Free Trade Association (CARIFTA) which was originally an initiative of Guyana and Antigua. CARIFTA is generally acknowledged to be the most vigorous force for Caribbean integration so far established.

Mr. William Demas, the CARIFTA Secretary-General, was reported by Reuter as having said that he hoped that all CARIFTA members would join the proposed political union. Jamaica and Barbados, members of CARIFTA, were unrepresented at the Grenada meeting and the comparatively junior status of the Trinidadian delegate is understood to have disappointed those who hope for a senior envoy from that country.

Concern

The immediate cause of the meeting was British moves to separate Anguilla de facto from St. Kitts and Nevis for a "cooling off" period. The conference is understood to have condemned British political influence in the region, called for modifications to the constitution of the Associated States and called for a new system to prevent new "Anguillas."

The Caribbean governments are very concerned that the precedent of Anguilla's separation from the three-island unitary state will encourage secessionist movements in other parts of the Caribbean. Britain has said categorically that it will not regard the Anguilla affair as setting a precedent. There have been secessionist moves of greater or less seriousness in Great Abaco (Bahamas), Barbuda (Antigua), Petit Martinique and Carriacou (Grenada), Bequia (St. Vincent), Tobago (Trinidad and Tobago).

Mr. Prevatt commented on the Declaration of Grenada that "We are committed, but we do not know to what extent exactly we are committed because all these things take a little time to be worked out."

No official reaction was forthcoming from the Foreign and Commonwealth Office, but recent statements by Lord Lothian, Parliamentary Under Secretary of State, and Mr. Joseph Godber, Minister of State with responsibility for the Caribbean, would indicate that Whitehall welcomes the move as a valuable local initiative and a start to ensuring the political viability of the smaller Caribbean territories.

JAPANESE BUSINESS IN LATIN AMERICA

In search of raw materials

BY ALAN RIDING

IN MINAS Gerais, Japanese technicians are working with Brazilians on a massive iron ore project; in Panama, most men listen to baseball games on Japanese transistor radios; and throughout Central America, Japanese cars and trucks are gradually taking over the roads. The Japanese are showing increasing interest in Latin America, both as a market and a place to invest in, but particularly as a source of raw materials.

Compared to the $13,000m. U.S. stake in Latin America, Japan's investment level is still small, but by the end of this year it should have surpassed British and West German assets—about $600m. each—in the continent. And already, because it involves such consumer products as cars and radios, Japan's presence in Latin America is more visible than that of Britain and West Germany.

As in other parts of the world, the Japanese in Latin America are demonstrating to their European competitors that energy and resourcefulness are adequate substitutes for well established business traditions. They take on projects from which U.S. and European investors shy away—"We arrived last so we can't be so choosy"—and they invariably come up smiling a couple of years later.

Investment

Japan's interest in Latin America is oldest and largest in Brazil, where 600,000 of the 700,000 Japanese in the continent are living. Emigration to Brazil began in 1908 and continued, with a break during World War II, until the early-Sixties. Many of the Japanese descendants are now Brazilian citizens, but their presence attracted the first spate of Japanese investment in the continent. To-day, over 60 per cent. of Japan's $550m. investment in Latin America is in Brazil and trade between the two countries is second only to that of Japan and Mexico.

Compared to Brazil, direct Japanese investment in other Latin American countries is small—about $50m. in Chile and Peru and about $30m. in Mexico. However, next to the U.S., Latin America attracts the biggest share, 21 per cent. of all Japanese private investment abroad.

In contrast, trade with Latin America accounts for only 7 per cent. of Japan's foreign trade and has been consistently in favour of the southern continent. In 1969, Japan exported $943.9m. worth to Latin America while it bought $1,162m. worth; and where Japan buys its raw materials, such as in Mexico, Chile and Peru, it has an overwhelming trade deficit. For instance, Japan bought $215.6m. worth from Mexico in 1969 and sold only $88.5m. worth. Panama, with its free port, is the exception. Japan exported $121.6m. worth of mainly electrical and electronic equipment in 1969 and imported only $1.8m. worth.

Imports

Japan's main exports to Latin America are small cars, electrical and electronic goods, heavy machinery and telecommunications equipment. The sale of these products has been concentrated in the four Latin American countries with large domestic markets—Brazil, Argentina, Mexico and Venezuela.

Imports from Latin America have been almost exclusively raw materials—cotton, coffee, maize, shrimps, zinc, bronze, copper and iron ore and petroleum—and Japan is happy to go on buying as much as possible of these products.

But it is running into problems. On the one hand, the growing reluctance of the Latin American countries to dispose of their natural resources without any national input is obliging Japan to step up its direct investment here. On the other, like their American counterparts, Japanese businessmen are having to come to terms with the nationalism that is sweeping Latin America and pressuring governments to restrict foreign investment. They too are pained—perhaps more inscrutably—by Chile's nationalisation of copper and Peru's tight controls on foreign investment.

"We have some companies which are 100 per cent. Japanese owned," one Japanese trade expert explained. "but increasingly we are trying to set up joint ventures with local capital or even governments. We provide some money and the know-how and the local interests provide some money and the protection we need against nationalism."

"We need large supplies of oil and raw materials if our growth rate is to be maintained in the Seventies, but we are having increasing difficulty buying them from Latin America. By investing directly, we are assured access to the raw materials which can be partially worked on locally before they are shipped to Japan."

At present only about one-tenth of Japan's investment in Latin America is in the mining sector, but this proportion is rapidly increasing. Similarly, the proportion of unprocessed raw materials among Japan's imports from Latin America is steadily falling.

Manufacturing

"The basic problem of trade with Latin American countries is that we want to buy raw materials which they are reluctant to sell and they want to sell manufactured products which we don't want to buy," the Japanese trade expert said. "Many Latin American countries have balance of payments problems coinciding with their industrialisation efforts and we understand they have to export, but their manufactured goods are usually more expensive and poorer quality copies of American, German or Japanese products. These countries must develop their agricultural sectors because there they already have a market and can compete."

About half Japan's investment in the continent is in the manufacturing sector. Massive concerns such as Nissan, Mitsui, Mitsubishi, Yamaha, and Matsushita are involved in making cars and pick-ups, electrical and electronic equipment, transistors, agricultural machinery, compressors, watches, calculating machines and thermostat devices.

But in many cases, even with moves towards economic integration in Latin America, Japanese firms do not feel Latin American countries offer large enough markets to justify local factories. For example, even Mexico, the second largest market in Latin America, Nissan is only able to sell about 18,000 vehicles per year because of the profusion of assembly plants and limited demand.

Deficit

Japanese banks are also beginning to appear in Latin America as more and more capital is released for investment abroad in response to pressures to force the revaluation of the yen. In January this year, the Export-Import Bank of Japan opened an office in Mexico City, its second branch in Latin America after Brazil. Private Japanese banks are also trying to get their foot in the door.

Evidently Japan has a clear idea of the role Latin America should play in its economic growth. The continent will steadily develop as a market for Japanese exports, but it will never be very important and Japan will continue to have a large deficit in its trade with Latin America. However, its export of loan capital here will increase sharply this decade. Most important, in order to guarantee a steady and dependable supply of raw materials, Japan is to step up its investment in the key mining and hydrocarbon sectors, invariably in association with local capital. For Latin America, the relationship is also beneficial since the continent can reduce its dependence on the U.S. as the main purchaser of its raw materials and should enjoy a new source of capital for its economy.

OTTAWA POLICY ON OIL SLICKS

By Our Own Correspondent

OTTAWA, July, 27.

THE Canadian Government has decided to take responsibility for the fast clean-up of oil or other pollutant spills near Canada's coasts. Transport Minister Donald Jamieson announced details of an interim Government plan to mop up pollution spills. He said Ottawa has agreed to co-operate with Ontario and the U.S. in the event of any major spill in the Great Lakes.

Canadian coal project

BY OUR OWN CORRESPONDENT

VANCOUVER, July 27.

A GROUP of Canadian-British and Australian interests is to begin work on the Brameda Resources Ltd. coal project in the Sukunka region of north-eastern British Columbia.

The groups involved are Brameda, controlled by Teck Corporation of Toronto, Mikas Oil Company, owned by Brascan Ltd., Toronto, and Coalition Mines Ltd., a new company formed by Mikas, Austen Butta Ltd. of Sydney, New South Wales, and Intercontinental Fuels Ltd., of London, owned by British Fuels Ltd., Western Fuel Company and J. B. Jeffrey and Co.

Early exploration by Brameda has outlined more than 65m. tons of high-quality coking coal. If all options are exercised Brameda will control 50 per cent., Mikas 42½ per cent., and Coalition 7½ per cent.

NOVA SCOTIA CAR TERMINAL

By Our Own Correspondent

HALIFAX, July 27.

A CANADIAN-US consortium is planning a $1m. auto-handling terminal at Dartmouth, Nova Scotia. It is designed to handle 100,000 European and Japanese cars annually.

Participants in the venture are Canadian National Railways, the Nova Scotia Government, and Computer Automated Transportation of Arabi, Louisiana. It is expected to be in operation before the end of the year.

The Milk Marketing Board Annual General Meeting

THE MILK INDUSTRY: MORE STABLE MARKET SITUATION

THE BOARD'S PROSPECTS IN THE COMMON MARKET

Extracts from the Address by the Chairman, Sir Richard Trehane

In my address last year I felt it necessary to draw special attention to the difficulties surrounding our industry and to give a sombre picture of its future unless Government were to take radical steps to remedy the long-standing malaise from which it was suffering.

It was a great relief to the industry, threatened by cost movements greater than it had ever experienced, that the Government took prompt and resolute action in October last to improve the guaranteed price by 0.94p per gallon. As a result of the Government's money injection and the favourable season, producers' incomes recovered somewhat and though we estimate that the margin per gallon did not quite recover to the level of the mid '60s, increasing efficiency and better yields probably resulted in margins per cow being a little better.

Costs undoubtedly have continued to rise and the bill of costs that had to be dealt with in the 1971 Price Review was the biggest ever experienced. Government further increased prices by an additional 1.56p per gallon with the expressed intention of lifting the industry out of its long continuing doldrum. These two realistic and practical actions by Government must be an encouragement to producers and give a better basis of confidence than has existed for some time. It cannot be expected that the long continued attrition of the industry's resources can be repaired immediately, but certainly the prospect is improved.

Following the last Price Review determination, the Board, recognising the impact of higher feed costs would be greater on milk produced in the winter than in the summer, made a slight variation in the balance between winter and summer prices, transferring approximately half an old penny from summer to winter rather than let it be influenced by external forces. The Board regarded this as something of an interim measure while they study more fully the whole question of seasonal production and pricing policies. The Board regard it as part of their responsibility to examine essential elements of production policy from time to time so that registered producers may be guided in the questions upon which they have to construct their own policies.

Planning on more secure base

As you know, the very low prices for dairy products for many years has been a matter of concern to us. The large amount of work that we had done in conjunction with the officials of the Ministry of Agriculture proved invaluable as the new Government began to work out the details of their own policy of moving food prices upwards through minimum import prices. The fixing of these minimum import prices has not been easy and it would be idle to suggest that their levels are absolutely perfect. However, the fact that we have for the first time a comprehensive regulation of imports of dairy products is of considerable significance to the industry. Much of the uncertainty of the previous open market situation is removed and producers and manufacturers can plan on a more secure base and with better confidence.

Dramatic changes in produce markets

In the event Government's action to improve the level of price has been substantially overtaken by the dramatic reversal in supply and demand since last year. Accumulated surpluses of dairy products have disappeared, leaving the position internationally one of acute deficit and high prices. The important question is whether this is just another short-term change or whether it carries with it more permanent elements. Undoubtedly the very acute shortage of some products is due substantially to severe droughts in New Zealand and Australia. Other factors, however, may have a more enduring effect. In the last twelve months or so United Kingdom cow numbers fell by almost 1½%; in the European Economic Community the decline, assisted by some official encouragement, was as much as 3%. In Scandinavia there have been reductions varying from between 3% to 8%. Undoubtedly, dairy farmers throughout the world have found that the onerous and capital intensive task of dairying has not been sufficiently rewarding for them to continue and to expand.

The consequences of this change in the market situation have had a sharper impact in the United Kingdom than elsewhere because of our traditional dependence on cheap imported dairy products. A very small change in the total world supply is quickly and sharply reflected in the balances available for international trade and in prices. While the improvement in prices is undoubtedly most welcome to our hard-pressed dairy industry it cannot be considered a very sound position to have those prices dictated by forces totally outside one's control. The events of the last few months must surely have impressed upon our Government the wisdom of the policies which your Board has consistently urged—namely, the need to expand home production, providing a more secure base for Britain's food requirements and a substantial saving in the balance of payments.

Liquid market withstood pressures

We do not, of course, overlook the fact that our market for liquid milk is far and away the most important. The year has not been an easy one, but the liquid market has stood up surprisingly well to economic pressures, to two increases in price and the withdrawal of the subsidies for welfare milk. I believe the industry has faced the challenges of increasing price and withdrawal of subsidy with a unanimity and a concerted effort greater than any I can recall. Cream sales have increased by a further 5% in the past year, rather less than we have achieved previously. Perhaps the brightest feature of our domestic market has been cheese. To have had substantial price increases and a rise in consumption by 11% is no mean achievement.

The most important question on the horizon is bound to be the probable effect of adjustment to Common Market policies. We have followed closely the development of negotiations and have prepared ourselves by many studies of the varying aspects that are involved. Adoption of the Common Agricultural Policy is unlikely to result in major changes for milk producers but its impact on other branches of agriculture will be much greater. The position on cereals and beef, in particular, is likely to be very different and some producers may be under a strong incentive to move away from milk. The slow long-term shift in production from eastern to the western parts of the country may well be intensified and there could be movement from the production of winter to summer milk. The advantage to dairy farmers could result, not so much from milk production as such, but from calves and cull cows, with the attraction of high meat prices. During the transitional period—and beyond—we shall maintain a very close watch on these likely developments to ensure that our liquid market is adequately supplied.

Board's future in EEC

Concern with these prospects, brings me to the question of what is the future of this Board—an organisation that serves the industry in a manner unequalled elsewhere. We have achieved a status and reputation which is acknowledged throughout the Six countries and throughout the world. One of the main sources of disquiet among our farmers is whether their very important marketing boards will be allowed to continue. Our Government, in complete agreement with the Board, has tried to establish that the main functions that we perform will still be necessary in the wider European context. Government has assured us that the need for these main functions has been well established: we share that opinion and therefore we think that as we go into a new and enlarged European Community we shall be doing approximately the same things in approximately the same ways with the same objective, namely, the welfare of our industry.

It is, of course, impossible to forecast precisely what changes we shall experience as we adjust to the policies of the Community. We shall undoubtedly have difficulties of some degree but the judgment of your Board is that the industry can look forward to a more stable future in the Community than it has had with the policies of the last 15 years. In particular, it would seem that one of our greatest handicaps of recent years—namely, the dumping of subsidised exports on to our shores — will at last be controlled. The contribution our industry can make to the balance of payments situation emerges with increasing clarity. It will be in the national interest to produce all the milk and dairy products that are technically possible from within our shores. As a result of the better market situation of today and of the firmer prospects likely to accrue from the conjunction with Europe, I believe that producers can pursue expansion programmes not only for their own benefit but also for the benefit of the nation.

Aiding efficient production

The work we do in order to provide practical assistances to the dairy farmer has not been allowed to lag behind. Our services of Artificial Insemination have been developed with a significant increase in nominated dairy services but of particular interest is the increasing strength of demand for progeny tested beef bulls. I am happy to say that in the last year particularly a practical working relationship with the Meat and Livestock Commission has been built up with. I am sure, consequent benefits to both. As a profitable side-line, we have developed considerably the export of semen with useful profits coming back to assist in keeping down the costs of the regular artificial insemination service.

One interesting new feature has been the Board's contribution to the Brucellosis Eradication Scheme. We have been able to carry out not only the milk ring test in accredited herds which the Government have asked us to do as an essential part of their monitoring programme; we shall also be sending to producers very shortly for their confidential information the result of milk ring tests carried out for all wholesale producers. We believe that the very large number with favourable tests will proceed as rapidly as possible to join the Brucellosis Incentives Scheme with the substantial financial benefits that attach to it.

The increasing intensity of dairy farming lays greater emphasis on the need for soundly based services designed to assist producers in the management of their farming operations. We are aiming to coordinate the development of both Low Cost Production and Milk Recording so that the range and efficacy of these management aid services will be further improved.

Bulk collection is making quite rapid progress with more than 50% of the milk being collected in this way. Not only has bulk collection made life much easier on the farms but it has made a particularly valuable contribution to streamlining the flow of milk to market, cutting out unnecessary handling and costs. Supplies for the liquid market passing through country depots have been reduced in the last ten years from 31% to 15%. The economic benefit of these measures has almost exclusively accrued to consumers but under the arrangements negotiated with Government a part of the savings at least will accrue directly to producers.

Substantial investment in creamery equipment

In recent years the rate of technological change in the manufacture of dairy products has accelerated and a very substantial capital outlay is required so that the Board's own creameries benefit from these developments. The modernisation and re-equipment of butter-making plants have virtually been completed and with the new factory at Alfreton our butter-making capacity has been more than doubled. More sophisticated plant has been required for dealing with the by-product. Dramatic advances have also been made in cheesemaking technology with increasing emphasis on mechanisation and improved hygiene. The new equipment is expensive, has large hourly capacities, and a substantial throughput is required to ensure a viable unit. The application of these new techniques to the Board's Creameries will mean very substantial capital expenditure in the years immediately ahead as well as some concentration of capacity.

The Development Unit was created within the Board's Technical Division three years ago to develop new or improved milk based products, food products containing milk or its derivatives and products stimulating the use of liquid milk in the home. It is also concerned to improve existing processes and to develop new ways of dealing with milk or dairy products. Some of the projects started in 1969 are now coming to fruition. Collaboration with the Board's Creameries Division and with a number of companies has led to the development of a number of products, some of which are in commercial production while others are being evaluated by industrial users.

Copies of the full Address and the Annual Report are available from Public Relations Division, The Milk Marketing Board, Thames Ditton, Surrey.

Export News

One possible method of exporting to far-away Pacific islands

BY ELSBETH GANGUIN

"I WANT ANYTHING people bere need to live—only that *they* can just go to the shops and buy." Mr. W. G. Chester, managing director of Trade Wind Products, told me yesterday.

His company is hased on Fiji and the New Hebrides. Chester himaelf is ao Australian, who has spent much of his life in South-East Asio. And he has orders "worth £10m. a month" in the bag from places in the Pocific where people juat con*not* go out and buy in the shops whatever they need or fancy. What Cbester still lacks ia U.K. suppliers of "building materials, food, dsiry products, clothing, textiles, bardware, seeds, fertilisers—you name it, I want it." If he cannot get U.K. companiea interested, he'd have to go to tbe Continent with his orders, he added.

The market in the Pacific—"ignored at present"—is reckoned to be worth $400m. to $500m. a year. Cbester has spent three years developing his project, and he promises a contract to eoch exporter "to guarantee we sell all consignments we take."

How will he take these consignments? He has the 15,000-ton cargo ship "Export Voyager," complete with holds for general and refrigerated cargo as well as "modern offices," available now, with another ship to come aftar three months. There is space to take a fully equipped abowroom, Chester claims, and any sales export promotional efforts will he "supervised by a senlor sales executive who will ba supported by sn equally capable assistant."

Tbere are also going to be salea clerks, a bead storeman and assistant storemen, who will see to the aales at each port of call. Participants will pay classified or general cargo rates, calculated 25 per cent. below existing Conference rates, declares Cbester.

At the various Pacific island ports—"oot at present accessible to normal shipping"—Cbester envisages importers to come aboord, aod buy, pay and take dellvery on the spot. "The importer will arrange for delivery of his order on to the wbarf ond clearance through the customs. Each consignment purcbaaed will he undar his close aupervision and we expect this should cut down considerahly the possibilities of pilferage, theft and damage."

"All consignments are fully protected hy insuronce," Chester adds. And the sbip "will be serviced by a bank whicb will handle finance transactions for importers and shippers alike."

He reckons that because his ship will be calling at island ports wbich at present only receive occasional visits from schooners with very small loadings, he will not be competing with aoy existing ahipping line, and is offering would-he exportera "an exclusive market with very little or no competition." I understand the sbowroom rental rate will come to £4 per aquare foot per annum, wbile the "participation shipping contract" fee—"less than it costs to finance one export sales manager for one year"—will be £3,500, and tbat *a percentage* commission will ba payable on sales.

"We expect to make an aversge of three or four ports a week," and for £25 a week, a apecial sdvertising service will also be laid on, it is claimed.

"There are 22 island territories in the Pacific islands hasin—and the shipping service is limited to Rabaul, Noumea, Port Vila, Honoriara, Suva, Nuk'alofa, Apia ond Pago Pago: a totol of only eight main ports out of over 3,300 islands," says Cbester, who evidently bas high hopes for fair trade winds.

Ross Poultry in Sweden

OSS POULTRY, a member of the nperial Tobacco Group, has ecured a major foothold in weden hy going into partnership ith Kemi-Intresse of Sundbyberg nd with Ivars Fond of Nybro. It na claimed yesterday that this ieans an 80 per cent. slice of the wedish market for day-old comiercial broilers.

The partnership's newly formed ompany, A. B. Ivo Food, with endquarters at Kalnar on the altic coast, is atated to he the rgest private table poultry comany in Sweden—and possibly the hole of Scandinavia—with a payoll of over 300 and an emoloyed ipital in excess of £2m. In addion to its dominance as a istributor of day-old commercial nicks, Ivo Food, through anticiated annual sales of £6½m., aims a 40 per cent. shore of weden's output of finished nicken.

Ross Poultry will meet the ntire broiler requirements of the ew company by supplying the reeding, growing and production xpertise, and the breeding stock. he broiler involved is the "Ross ," which claims a 60 per rent. iare of the British market, and ir which franchise and distribuon arrangements exist in 32 ountries with full breeding prorammes in Japan, Cyprus, zechoslovakia, Holland and pain. This year it is estimated iat 320m. Ross broilers will be atched nverseas in addition to 60m. in the U.K.

In Sweden—hitherto dominated y American breeds—a pure-line reeding programme is being stablished through imports of lite aod grandparcot stock from cotland. Deliveries, which began 1 mid-July, are the first steps in build-up to over 10m. comiercial broilers a year, it was lated yesterday.

Commenting on Rosa Poultry's uccess in meeting Sweden's xacting demanda in competition vith the "world's hest," Lord dward FitzRoy, chairman and ianaging director, said: "It is ery satisfying for us to gain a iajor share of such a discriminatig market. The quality of our roiler ia well proven and with his we are creating a new degree f integration in Sweden—breedng, hatching, processing and disrihution, all within one comany."

UDT goes to Wellington trade fair

NTERNATIONAL Finonce and Services, the export finance iouse in the UDT Group, will iave a stand at the International Trade Foir whicb opens in Wellncton on August 18. Mr. H. Simpson Cook, the managing lirector, will he present.

International Finance and Service's parlicipation in the trade fair will be in conjunction with ts sister company in New Zeaand, United Dominions Corporaion Finance.

IF & S reports a "spectacular" ncrease" in its export finance usiness with Australia and New Zealand over the past year.

IN BRIEF

Yates-Barco of Marple, Cbeshire, bave won two orders totalling almost £16,000 from tha German company of Demag for 876 rotary joints. Ooe order is for the 1-incb Type CS rotary joint, to he used on Demag's continuous steel casting machines. The other is for the 2-inch Type CR rotary joint, for use on the cooling rolls of the ateel casting machine's conveyor. These mochines will go to the Usinor steel mills in France.

Installed on roll inlets in the pinch and straightener sections, the joints provide long leak-free service, due largely to their high deosity carbon seal, maintoined under compression rather than tensile load, and their wide-spaced carbon hearings which are luhricated for life.

Humpbreys and Glasgow (Caoada) bas completed the installatioo of a propane/propylene splitter unit for British Petroleum Refinery Canada at its 38,000-horreis-per-day Trafalgar Refinery, Oakville, Ontario.

The unit, which separotes propane and propylene from a stream formerly fed to the alkylation unit, makes more efficient use of refinery products. Designed for a feed of 1,300 harrels per day, the unit bas operated successfully in excess of design capacity.

Tbe propane is marketed in Canada for consumer use and the propylene is used hy an associated company in the U.S. in the production of ocrylonitrile.

Detail design, procurement and construction for the splitter unit was handled hy Humphreys and Glasgow in Toronto, while tha original process design came from its London office.

One of the features of the splitter unit is the on-stream chromatograph designed hy the B.P. Research Centre (manufactured hy Elliott in tbe U.K.) and installed by Humphreys and Glasgow (Canada). This instrument gives a continuous record of product quality and is much more reliable and accurate than previous models—and brings complete automation of refinery processes one step nearer, the company helieves.

An operative at the works of Dewrance at Skelmersdale, Lancashire, assembling a Maxiflow safety valve. This was one of 30 ordered by Electricitá of France. The valves are suitable for pressures of up to 3,000 p.s.i.

Praise for machine tools

THE "TECHNICAL excellence" of exbibits at the British Machine Tool Exhibition, currently running in Moscow, has made "a great impression on the Russians," according to Mr. Peter Borwick, of tbe Machine Tool Trodes Association, which sponsored the exhibition.

"The exhibition bas got off on a high note," he said. "Considerable interest is being sbown hy all levels of Russian machine tool users, including senior members of the Miniatries of Industry, Trade and Machine Building."

There was no doubt that the Russians were impressed by the 200 tons of exhibits on sbow, valued at over £1.1m. and covering 2,185 square metres of floor space, in the British-built exhibition hall in Sokolniki Park.

Cells for Norway

ORDERS WORTH £80,600 bave been obtained from Norway hy the macbinery division of West's (Manchester) for minerol processing equipment to he installed at Norwegian minea.

Titania bas ordered 20 large (300 cubic feet), Wemco-Fagergren froth flotation cells for its ilmenite norite processing plant at Hauge Dalane.

Tbe order is claimed to follow the successful operation of two recently installed cells and it will increase the throughput of the plant by 200 tons per bour, giving an annual throughput of 3,300,000 tons of crude ore.

Folldal Verk has ordered 10 large and nine medium-sized (61 cubic feet), cells for a plant designed to treat 600,000 tons a year of copper-sulphide-bearing quartzite ore.

U.K. to be consulted about EEC policies

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, July 27.

COMMON MARKET Ministers hava agreed on procedures for consulting Britain on Commuoity policies during the period between the formal end of the aotry negotiatioos and full British membership. The same system would apply for the three other applicant countries, Ireland, Denmark and Norway.

The consultations will oot have any juridical hasis, Signor Aldo Moro, Italian Foreign Minister and Preaident of the Six's Council of Ministers, told a Press conference to-day. They will take place on an ad hoc basis whenever either side considers them to be necessary.

Basically, the principle is that Britain and the other candidates will be informed about proposed Community policies at roughly the same time as they are sent to the Council of Ministers by the Commission. The candidate countries can then request coosultationa at ambassadorial level if they feel their interests are affected and, if necessary, organise ministerial meetings as a kind of "court of appeal."

The Six's decision represents an advance on earlier thinking in Brussels, which was to the effect that the consultations should only start once the candidatca have signed the accession treaty. Agreement that the consultations should start aa sooo as the entry negotiations are formally concluded reflects tbe growing conviction in Brussels that the four candidatea should from now on increasingly be treated as members of the Community.

The decision, agreed by the Council of Ministers last night, will be officially communicated to the British delegation at to-morrow'a session of the oegotiations at deputy level. The Six found it impossible to agree, bowever, oo a formula that would have covered direct consultation with the U.K. by the Commissinn even before it draws up proposals for the Council.

M. Maurice Schumann, the Frencb Foreign Minister, fought a long battle on this issue with Signor Franco-Maria Malfatti, President of the Commissioo, late last night. M. Schumann insisted that there could be no formalisation of Commission consultations with the candidatea, considering that such contacts with the present members only take place on a strictly informal basis.

Signor Malfatti insisted on the Commission's right to gather "necessary information" independently, wherever it wished, and said it would be disastrous if the Council passed proposals in the coming months without taking the caodidetes' intarests into account.

The argument was finally resolved by an agreemeot to omit any reference to Commission consultationa from the agreed text of tha meeting'a conclusions—laaving, in effect, the Commission free to do as it likes, but without the formal sanction of the Council. The same solution was adopted as far as consultations with the candidotes by the European Parliameot in Strasbourg are concerned.

GARDENS TO-DAY

Lavender for connoisseurs

BY ROBIN LANE FOX

LAVENDER is a plant which everybody knows and many people grow but its popularity has never made it common. It is as well to remember that this can he so, as gardeners tend to divide themselves into two groups—those who only grow wbat they aea repeatedly in other gardens (the motor-car has had some infiueoce here, as it has made it possible to look out of the window at nothing hut Forsythia and floribunda roses) and those who only grow wbat others will find difficult to recognise.

The snobs look down on the copycats; the copycats become aggressive in defence of thair Marigolds (rightly) and on at least two occasions in the past six months, I hove known old friends become quarrelsome about the relative merits of Stocks and Sarcococcas. As usual, eacb side has firm bold of one psrt of the truth but, like philosopbers, Christians and Communists, they are convinced that the part whicb they hold is really the wbole. But there are plants to bridge their differences, none more appropriote than the Lavender bush, familiar, often planted but still a choice for the connoisseur.

Long history

Lavender is a plant with a long and respectable history, spreading from the Mediterranean to the medieval gardens of the mooks, and from monasterias to the formal parterres of the 17th century; the white variety was much favoured by Henrietta *Maria*, the "hlue" by Miss Gertrude Jekyll, most perceptive of garden planters in the Edwardian age.

This Mediterranean origin gives a clue to its use in the garden, as Lavender is a plant for on aromatic horder, breathing the smells of last year's summer holiday and those walks down a cliff to tbe one patch of sbiogle which wos not infested with fellow-Englishmen reoding the Financial Times in between their morning swims.

In a cottage garden, I would plant drifts of Lavender along the poth to tbe house; heneath the house itself I would mix the less common varieties with aromatic Cistus and the pungent Helichrysum, tucking in a few Golden *Marjorams* and lemon-scented Thyme (caliad citriodorus) to spill forwards over the path. A Daphne for spring, the wide-spreading golden-leaved hardy Fuschia Graf de Wit for autumn, and I would have a planting to be enjoyed throughout the year. The winter Iris (called Uoguicularis) could ba added beneath o south wall to hrighten the heart in January.

Medium-term bet

I rate Lavender so bighly hecanse of its freedom of flower, range of colouring and gentleneas of all-round outline. There are those who complain thot for three quarters of the year it looks spiky and awkward but this is a view which I do not share; the different varieties must all be nsed differently and only in the wrong place do their faults bacome too obvious. But all Lavenders do have one maddening habit against wbich you must he warned; after six years, they either begin to grow leggy or else they catch a disease which mokes them die out in hits and pieces, leaving s healthy branch or two to encouraga you to spare them for another season.

A hard trimming after the bushes bava flowered can belp to delsy the degeneration but even ao, you can only look on Lavender as a medium-term bet; as soon as they becoma patchy, throw them out. When planting its husbes on heavy clay soils, I alwaya dig in a liberal doaa of sand, as Lavender, native of the seaside, thrives in the ligbtest earth. But even on sand, cuttings must be kept to replace the middle-aged; never waste money buying Lavender in dozens or bundreds, as cuttings taken in April or August are absurdly easy to root, being ready for their permanent bome within nina mooths of leaving their parent.

The key to enjoying Lavender is to know the varieties to suit your purpose. For drifts between evergreen shruhs and topiary or for edginga to gravel paths, far the neatest kind is the dark Lavender Hidcote, 18 incbes tall, grey-green leaved and though ratber desolate in winter, a very suhtle picture in July when thick-set with its spikes of indigo flowers, like coloured ears of wheat.

The paler varieties called Munstead and Twickel Purple are taller, more straggly and much less emphatic; though these are the usual lavender colours, I do not think they are worth the trouble any more. Rather than the washy lavender, I patronise the greyisb white, an unusual plant which gardeners have been slow to appreciate. In its smallest form, known by one nursery as Bahy White, it is only nine inches high, very slow growing and extraordinarily aromatic. Its branches are easily broken, thongh as soon as they are rubhed, they smell of the strongest Lavender bags.

The place for this obliging plant is a bole in paving or a dry wall; there, it will spread very slowly to a wldth of a foot and even after nine years, my oldeat plant shows no sign of disease. This, I believe, refutes those who think Lavender can only be massed for the soke of its flowers. One specimen is always welcome; its companion, Bahy or Hidcote Pink, is lavender-mauve and as pale as an old lady without make-up. I grow it hut I do not think it is a plant for those who like value for space and money.

Grander plants

On a grander scale, there are two uncommon kinds for planting in ones and twos; the first is a large white variety, now stocked only hy John Scott Ltd., of the Royal Nurseries, Merriott, Somerset, whicb grows to an impressive three feet and looks dramatic beside a flight of steps or at the corner of a gravel path. The second is called Lavender Stoechas, ot most only two and a balf feet tall but with regimented heads of purple flowers, softened hy a tuft of upturned lavender hracts, lika coloured leavea. It looks ratber impudent and it paya for its insolence in very severe winters by heing cut to pieces by frost.

The large white variety, too, is susceptihle to the cold hut at the foot of an Oxfordshire wall, hoth came bappily through the post three winters. South of York, I feel sure they are worth a risk; by being adventurous, you can bave your lavender, satisfy conservative gardeners and still intrigue the connoisseur. What is a touch of frost to the prospect of pleasing one and all?

Building society assets growth

FINANCIAL TIMES REPORTER

BUILDING SOCIETY assets during 1970 showed their second bighest rate of growth for 40 years, the Chief Registrar of Friendly Societies says in the second part of his annual report published to-doy.

Total assets at the end of 1970 were £10,819m.—16.5 per cent. higber than at the end of 1969. In 1967 the rate of increase was sligbtly more at 18 per cent.

The amount advanced on mortgage in 1970 increased 25 per cent. to a record £1,954m. Reflecting the continuing rise in bouse prices, the number of advances, although a peak at 624,000, increased by only 14.5 per ceot.

The Chief Registrar points out that over a quarter of tbe amount advanced in 1970 on new mortgoges waa on those exceeding £5,000, compared with a proportion of 15 per cent. in 1968. The overage size of a mortgage in 1970 was £3,140 against £2,875 in 1969.

The net intake of funda from investors (excluding interest left with accounts) rose from £697m. to £1,160m. A record £3,027m. was received in shares and deposits, and although withdrawals reached a oew high of £1,867m. they were only 10 per cent. more than in 1969.

The report disclosea that towards the end of 1970 the Leek and Westbourne Building Society was authorised to land up to £500,000 to tha Tunstall Building Society for a period not exceeding 12 months. The Tunstall was concerned that it might temporarily he unable to honour its obligations following the disclosure that money had heen misapplied in a smaller soriety whose transfer of engagements it had accepted.

As reported in the Financial Times oo March 12, 1971, the £3m. Tunstall has merged with tha £320m. Leek and Westbourne.

Report of the Chief Registrar of Friendly Societies, 1970, Part 2, Building Societies; SO, 50p.

M62 Pennine link opens next Tuesday

THE 13.2-mile-long trans-Pennine section of the M62 Lancasbire-Yorkshire motorway will be opened to traffic oo August 3. The section runs from the A56 Interchange at Whitefield, Lancashire, to the A672 Rockingstone Interchange, Yorkshire.

With the completion of this sectioo the M62 will run continuously for 28 miles westwards from Outlana oear Huddersfield to the Eccles Interchange west of Manchester. The westbound connecting road from Ripponden Road A672 to the M62 will not be opeo to traffic until October 1 next.

Five-year plan of expansion for VW Motors

VOLKSWAGEN MOTORS (Thomas Tilling group) has aigned a five-year agreement with Volkswageowerk for the planned expaosion of the U.K. organisation.

"It takea into occount tha likely effects oo our company's activities of Britain entering tha Common Market," said Mr. Alan Dix, VW Motors' managing director.

Uotil now agreements between the VW importing concessionaires and the factory have been oo a year-to-year basis.

European News

ICI Eurobond loan under fire in W. Germany

BY CHRISTOPHER LORENZ FRANKFURT, July 27.

HARSH words are being exchanged in some West German banking circles about the £15m. Imperial Chemical Industries £-D-Mark loan that was announced at the week-end.

Although the Deutsche Bank, a co-manager of the loan with S. G. Warburg and J. Henry Schroder Wagg, is understood to have got the unofficial go-ahead of the Bundesbank, it is being criticised for by-passing the capital market committee, the informal group of banks which controls domestic and foreign D-Mark loans.

The Deutsche Bank's riposte is that it would never attempt to do this. It points out that the loan, although probably more attractive in D-Mark than sterling form, is similar in nature to recent European Currency Unit issues, that the majority of the loan is being underwritten by British banks, and that it will not be quoted on the German exchanges. The issue is not the first of its kind.

The criticism of the Deutsche, the largest Eurobond manager or co-manager, comes at a time when the capital market committee is maintaining extremely strict control of straight D-Mark issues. Two months ago it imposed a standstill on all loans, and while the ban was raised a month later, the committee has since approved only two foreign D-Mark loans, Glaxo's D-Mark 75m. and Newfoundland's D-Mark 80m.

At its next meeting on Thursday, the committee is expected to approve at least one new foreign D-Mark loan, Johannesburg issue managed by the Berliner Handels-gesellschaft-Frankfurter Bank. Glaxo has been selling well over par and Newfoundland's prospects are also rated highly (signing is scheduled for Thursday).

The outlook for domestic issues is less clear. In contrast to last month's triple-A Kreditanstalt fuer Wiederaufbau loan, the two most recent issues have not been going well. As a result the committee is expected to give the green light to only a few of the many domestic borrowers standing in the queue. The Industrie Kreditbank, together with a North German electricity supply concern and the state of Baden-Wuerttemberg are believed to be near the top of the list.

William Low adds: A spokesman for the managers said: "This is not a D-Mark issue anymore than a European Currency Unit (ECU) loan, where the D-Mark is a component currency, is a D-Mark issue. As regards the ICI offering, there is no German Stock Exchange quotation and no large German underwriting group as is normal in a D-Mark issue."

Eurobond sources looked upon the argument as primarily one between German banks which should not affect the chances of the flotation. Subscriptions from outside West Germany are likely to at least equal those from within the country.

Several Eurobond operators commented that they suspected some of the German banks were mounting a "knocking" operation against the ICI loan, a procedure which is not uncommon in the Eurobond market.

D-MARK RATE EQUAL TO 5.8% REVALUATION

By Christopher Lorenz
FRANKFURT, July 27

The D-Mark to-day climbed to 3.585 against the dollar—equivalent to a revaluation of more than 5.8 per cent.—on the Frankfurt Foreign Exchange market after the Bundesbank had offloaded between $50m. and $100m. at about DM3.4625, its lowest ever selling rate. Later it eased slightly to DM3.460.

Italian car production falls again

By Our Own Correspondent
TURIN, July 27.

FOR THE second year running the Italian motor industry turned out fewer cars and other vehicles over the first half of the year than in the equivalent period of the previous year.

Total output fell to 902,009 vehicles compared with 918,000 in the first half of 1970 and 936,000 in the first half of 1969, according to figures from the Italian Vehicle Producers Association.

The blame for lower car output, down 1.8 per cent. to 841,098 units, is attributable to the series of strikes at the major Fiat and other car plants over this period, the association said. This kept production below 1969 levels in spite of heavy investment in new models and new production lines in the intervening period.

However the 10 per cent. fall in industrial vehicle output to 60,911 units is mainly due to the general slowdown in the Italian economy, particularly in the construction industry, which has affected demand for such vehicles.

Exports rose slightly to 342,098 units from 338,000 in the first half of 1970. However, this was still well below the 372,000 sold abroad in the first half of 1969.

Comecon takes soft EEC line

By Michael Simmons,
East European Correspondent

THE PROPOSED enlargement of the Common Market is likely to be a major talking point among Eastern European heads of government, now in Bucharest for the 25th Council meeting of their economic grouping, Comecon.

The prospect of a larger EEC has been worrying the East Europeans since Britain and other EFTA countries began negotiations in their latest bid to join. Soundings made in Brussels—by Communist Ambassadors to Belgium—have now convinced Moscow and its allies that the EEC is more than "the *economic arm of NATO*"

Bi-lateral conversations between Britain and Russia, Poland and Hungary have therefore shown a certain willingness on the part of the East Europeans to be less hostile towards the Common Market.

Malta to cut national debt

By Our Own Correspondent
VALLETTA, July 27.

MR. DOM MINTOFF'S Labour Government is to start whittling down the island's £43m. national debt account, at the first opportunity, in September when £5.5m. of development stock floated in March last year reaches maturity. The stock carries 5½ per cent. interest.

Settlement will not be arranged through flotation of another tranche of £5m., as was the practice with the previous Nationalist administration. The Labour Government is committed to cutting down drastically the debt account and efforts are to be made to bring the figure down to £27m. in five years' time.

Second day of Lisbon clashes

By Our Own Correspondent
LISBON, July 27.

FOR THE second consecutive day armed Portuguese police to-day clashed with demonstrators in central Lisbon when they attempted to dispersed bank workers protesting against the arrest of one of the leaders of their union. So far no charge has been brought, nor any reason given for his detention.

To-day's clash was on a limited scale compared with yesterday's prolonged violence in Lisbon. As they were eered and taunted the police moved to disperse a small group of demonstrators, using steel-tipped batons. They then withdrew.

The tension in Lisbon's banking quarter is extreme. The bank workers are embittered and there may be serious trouble ahead.

A statement from the Interior Ministry did nothing to relieve the tension. Without mentioning names, it said recent detentions were linked with terrorist activity in Portugal, and declared that secrecy about the detainees was necessary. The statement said some of those held in political prisons would face court proceedings during August.

Norway backs up Swedish case at Brussels

BY OUR OWN CORRESPONDENT BRUSSELS, July 27.

THE NORWEGIAN Foreign Minister, Mr. Andreas Cappelen, said to-day that in the event of enlargement it was "essential" for the Common Market to work out a comprehensive agreement with Sweden that went beyond free trade for industry.

He appealed for what he called "satisfactory" arrangements between an enlarged Community and the non-candidate EFTA countries at Norwegian negotiations here just one day after the Six's first top level deliberations on future links with EFTA neutrals.

While the Six Foreign Ministers agreed to the principle of industrial free trade with these countries at yesterday's meeting, they were extremely wary of broader co-operation—on competition or agricultural policy, for example—that might threaten the Community's autonomous decision-making process.

However, at a Press conference after the meeting, Mr. Cappelen appeared to soften his earlier intervention. In answer to a question he said that his statement did not mean that Norway would not enter the Community if Sweden could not, in fact, negotiate a satisfactory arrangement with the Common Market.

At to-day's session the Community agreed to Norway's request for a five year transitional period before applying free movement of capital.

Rising trend of tourism

BY ADRIAN DICKS PARIS, July 27.

TOURISM within the OECD areas as a whole rose between 10 and 16 per cent. during 1970 and the first months of this year, to reach a total of $14,200m. in foreign currency earnings and 134m. tourist arrivals. This is one of the main conclusions of the annual report on tourism in member countries of the OECD tourism committee, which also notes that with a contribution of some 6 per cent. to total exports and services earnings, tourism was confirmed as one of the biggest and fastest growing export industries.

The single most interesting development this year is the drop in the number of American visitors to Europe. The number of departures of U.S. citizens during the first seven months is estimated to have slowed down by 7 per cent. from last year—which, in turn, had shown a 30 per cent. increase over the first seven months of 1969. Two-way air passenger traffic on the North Atlantic route grew by only 3 per cent. in the first four months of 1971, as opposed to 25 per cent. over the same period in 1969.

The OECD notes, however, that there were relatively high increases in the number of arrivals at the frontiers of almost all European members of the organisation, and their foreign currency receipts increased by 16 per cent. to $10,400m. Canada's earnings rose by 20 per cent. to $1,200m. and U.S. earnings rose 13 per cent. to reach $2,300m.

The OECD notes the increasing involvement of governments with tourism and their readiness to include it in medium-term forward planning.

Irish anti-squatting Bill

BY DOMINICK J. COYLE DUBLIN, July 27.

A CONTROVERSIAL Bill designed to limit direct agitation in the housing field by left-wing and republican groups here has led to a bitter clash between the Government and the two opposition parties over when the Dail (Parliament) should go into recess for the summer vacation.

A number of Ministers and the majority of MPs have already had their holiday arrangements disturbed, since it had been assumed that Parliament would adjourn last week. Instead, sittings are now being arranged for next week, and the Labour Party has threatened to fight the Bill "line by line."

The Bill itself is essentially anti-squatting legislation, but the debate is ironically resulting in a direct confrontation between the Government and the Dail Press gallery, since one of the Bill's clauses is widely interpreted as a move to limit the freedom of Press comment.

In great measure, the Bill is directed against the official wing of the IRA, and its supporting segment of Sinn Fein, who are increasingly involving themselves in agitation for social and economic change. Their members have been active in a number of recent housing "sit-ins."

The Government itself is known to be embarrassed over the chorus of newspaper criticism of the proposed legislation, and there are signs that the Justice Minister would be prepared to drop the section bordering on Press freedom if the opposition would then facilitate early passage of the rest of the Bill.

Turkish imports flow

BY OUR OWN CORRESPONDENT ISTANBUL, July 27.

THREATS of a serious shortage of supplies of imported goods and materials as the result of the implementation of new import regulations have now been overcome.

By giving priority to checking the prices of goods already ordered against licences issued under the previous regulations, the Price Control Board has opened the way for a regular flow of supplies to industry, and production hold-ups have been avoided. At the same time, importers have become familiar with the revised licensing procedures and a considerable number of new "free imports list" licences have been issued by the Ministry of Foreign Economic Affairs.

Price control formalities have to some extent been simplified. While there has been no relaxation of the principle that importers must place their orders with the supplier most competitive on prices, quality and other factors are being taken into account and fractional price differences are being ignored. The authorities have now also issued the first half-year's "Global Quota" licences to industrialists and in a majority of cases applicants appear to have been granted notably larger amounts than in the past.

There is every indication that the flow of new import licences is being adapted to the real needs of the market, priorities being given in cases where stocks are low. In general, the situation is such as to re-inspire importer confidence although there is every reason to expect that many of the smaller, less viable concerns will gradually be forced out of the import market.

Export prices are now also being checked more speedily and although some cases of unexplained delays remain, the system should be operating satisfactorily by the time the main export season opens in six weeks' time.

SAVING VENICE

Politicians quarrel as Venice sinks into the sea

BY CLAIRE STERLING

SADLY THE worse for environmental wear and tear, Venice could be saved from otherwise certain ruin for $400m. A masterplan already exists to put up movable dykes against increasing floods, seal artesian wells which are supposedly causing the city to sink half a centimeter yearly, restore rotting paintings and sculptures, repair derelict buildings, instal sewers and cleanse the air of the sulphuric acid spreading the sickness of the stone. The money, a low interest international loan underwritten by the Italian State, has been there for the taking since early April. But the Venetians won't take it.

That is, their elected representatives won't take it. In fact, they are fighting the whole proposition tooth and nail.

Introduced as a special national statute by Treasury Minister Ferrari-Aggradi (himself an elected representative of Venice), the loan would be tightly controlled by the national government in Rome. The new Veneto region would have some say over about a third of it—the city council would have none at all.

Not unnaturally, the Region is less than altogether happy about this arrangement, while the Council finds it humiliating, offensive, unconstitutional and unfair. The implication is that the city fathers here are too incompetent or corrupt or both to be trusted with all that money. Some critics, scorning mere implication, have come right out and said so. Among them is the Corriere della Sera's distinguished columnist Indro Montanelli—who has in effect described them in print as a gang of crooks.

Resign

For this, the Florentine Montanelli has been sued (unsuccessfully) by the city fathers, while students in the Front for the Defence of Venice are circulating a petition to make him an honorary citizen. The Front itself, also being sued, has been just as blunt: "not a lira for our civil adminstrators," say one of their leaflets after listing their adminstrators' several and scarlet sins, concluding that the only decent thing for the whole council to do is to resign.

Indeed, the latest Council has resigned already—though it is still running things locally until the next one comes along—after barely getting into its stride. "I've only been in office seven months," said the incumbent mayor upon retiring. "How many millions could I steal?"

While nobody thinks this particular mayor has stolen anything, it is a matter of record that other city officials have done well for themselves over the years. In two cases now being called forcefully to public attention, their speculation in real estate for the development of industrial Marghera, on the mainland, has yielded profits, respectively, of 400 and 1,000 per cent.

Whether for such considerations or through sheer inertia, city officials have also been scandalously lax in protecting Venice and its lagoons from industrial encroachment. Marghera's projected spread to a third zone of landfill with an unusually deep tanker canal at Malamocco, believed to be a major cause of increased flooding in Venice itself, had been allowed to go ahead from 1963 to 1969 despite official requirements for a hydrological model of the Venetian lagoon—never made—to test the possible effects beforehand.

Nevertheless, it is not really, or simply, the probity and efficiency of city officials that is at issue in the quarrel over Minister Ferrari-Aggradi's special statute. As it happens, the Minister himself belongs to a centrist faction of Italy's dominant Christian Democratic Party known as the Dorotei, which controls the Veneto region. On the other hand, the city of Venice is controlled locally by a left-wing Christian Democratic faction whose electoral base is largely among Marghera's 40,000 workers and whose very political existence is an everlasting thorn in the Dorotei's side.

Giveaway

It is widely believed here, therefore, that the special statute is part of a deep game to isolate and eventually break the back of this left-wing group, leaving the handling of $400m.—an attractive sum—largely to the Dorotei of the region and to Rome. Another, more complicated and perhaps still more profitable part of the game would be to bypass Venice and Marghera both by developing a huge new industrial centre further down in the Po valley. The site, known as "Venice South" would be near Rovigo at the mouth of the Po, just north of Ravenna. Much of the land there has already been bought up at giveaway prices by Christian Democratic notables in the Veneto region. A projected spur of the *Trento-Vicenza* autostrada would link this superhighway to Rovigo for overland freight transport and abundant power for modern automated industry would be provided by a thermal plant already under con struction at Porto Tolle, whi will be the biggest in Europe.

While Marghera may necessarily languish if Ven. South develops as planned, would hardly continue to gr at the phenomenal pace whi has made it Italy's second larg industrial centre. Industrial financially and politically, axis of power would be bou to shift towards Venice Sou Not only might that make mm *meat of the local* left-wi Christian Democrats here, but might also reduce the City Venice to the status—repell for the Venetians—of noth more than a home away fr home for the international set.

The fact that nearly half thousand million dollars is her positively thrust upon the Ve tians for what may turn out be just this purpose has lent to put a good many backs here, not all of them in Le wing Christian Democr circles. Most Venetians want money for what it can do to vage their city. Several, howev consider it a squalid bribe to li their silence—and their "Ve tian visiting card," as Italia N tra's local Director, the Conte Teresa Foscari puts it—perm ting regional politicians to en themselves elsewhere wh Venice goes into quiet decline.

Byzantine

Whether or not they will h the money anyway is an op question. At this point, pra cally every political body Venice has gone on reco against the Ferrari-Aggr statute as it stands—alw excepting that hardy Front the Defence of Venice. In Ro therefore—*the proposal has b* frozen in Parliament and wh the politics of the matter gr more byzantine from day to d Venice continues to sink, cra rot, decay, crumble.

PARLIAMENT

COMMON MARKET DEBATE: Day Two in the Lords

QUESTION-TIME

Avoid a Party battle, appeals Hailsham

BY OUR PARLIAMENTARY STAFF

THE spectacle of internecine strife in the ranks of the main Opposition party was particularly painful because it was the duty of both Houses of Parliament to give guidance and leadership to the people, said Lord Hailsham.

He said the purpose of the debate in both Houses of Parliament was not that members should make up their own minds or other people's but that they should help to focus and guide opinion in the country.

When the Labour Government applied for membership and began negotiations, the Conservative Party had a three-line whip to support them. "We do not ask as much now that we are proposing to go in but I only beg them not to persecute one another.

"Let them not punish their pro-Marketeers or turn this into a party battle. I hope it will not be so."

Lord Hailsham said the first question which had to be answered was whether they were in principle in favour or against entry into the enlarged Community.

"Surely it has been answered. It has been answered 'Yes' by successive British Governments. Our successive applications for membership under successive Governments would otherwise be devoid of meaning.

"No man who is or was part of any of these Governments could answer this first question in the negative and retain a spark of political credibility.

"I doubt whether if I answered in the negative I could retain a shred of personal honour."

He said that to allow one's colleagues to enter into negotiations in good faith with six European nations while all the time harbouring the intention of backing out when the negotiations were complete, not because of disagreement with the terms but on account of a prior objection to entry, would not be the act of an honourable man.

Lord Hailsham said: "I am casting no aspersions on anyone except to say that, if I answered the question in the negative having allowed these negotiations to go forward, I would regard myself as devoid of political credibility and even of personal honour.

Be counted

"Let each man be his own judge in such a matter, let each man, to quote the words of Lord George-Brown, '*stand up and testify*' and let each man stand up and be counted. Let us not engage in personalities. I have not. I have spoken of my own honour and my own opinion.

Lord Hailsham said no one was bound to accept terms which differed from the original offer if he did not like them.

"But what has never been denied, so far as I know, was that those terms, had they been before a political administration of a different colour, would have been likely to have been accepted.

"In the words of Lord George-Brown, it is time we stood up and were counted. We must make our *decision. We are not likely* to get better terms if we wait and it is unlikely that we shall get any terms later on.

"But one thing is certain," said Lord Hailsham. "If the Community develops in its way with us bereft of the power to influence the Community, the chances are that no better terms at a later date would ever be acquired.

"I can imagine no greater disaster for this country at the present juncture, short of war, than our failure to proceed with the application we have made."

He said sovereignty was an issue which he would gladly have omitted. "For, if I can again quote Lord George-Brown, 'the *issue of sovereignty is a* non-runner.' I wish I could persuade this House that the threat to our existence by the creation of this economic giant will exist whether we join it or not. The threat exists in our managements and plants.

"That threat will exist whether we go in or whether we stay out, and the question is only whether we wish to share the advantages of an enlarged Community or whether we stay with an internal market of less than 60m. people, receiving inadequate investment and slowly sinking in national wealth and wage levels, and as a result, in natural skills."

Fool's paradise

He went on: "Those within the Community have remained, and will remain, sovereign states and be recognised as such by other *nations and, so far as I am aware,* by every international agency."

It was true that there were common institutions and there were fields of common law. But there was no physical power behind these institutions except the will of the members to keep their bargain.

The treaty was a contract to use the sovereignty of each member for limited purposes in concert with others and to create *institutions to enable this to be* done without derogation of national independence.

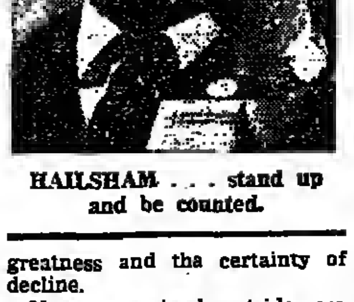
Lord Hailsham said he believed we were faced with a choice between opportunity for greatness and the certainty of decline.

If we remained outside, we would find ourselves in a fool's paradise of little Britain, unable to stand up to competition while the Market States would continue to grow and influence the world.

He remembered a debate on the Schumann plan, an *occasion* when, as now, the Labour Party was divided, perhaps trembling on the brink of actual hostility.

He added that there came a time for parties and States to adopt decisions because they believed them to be right and not because they believed they might bring temporary political advantage.

Here at last was something which, apart from economic advantages, seemed to offer the hope of avoiding a third world war and that the blood of our children would not, like that of our brothers and fathers, soak the fields of Europe once again.



HAILSHAM . . . stand up and be counted.

Economic policy more important—Beswick

LORD BESWICK, Opposition chief whip, referred to what he called Lord Hailsham's "lecture on personal honour."

He said he preferred the words of Mr. Roy Jenkins when he had said that we should get on much better if we all respected each other's sincerity and talked more about the issues and less about one another.

Lord Beswick said that neither going in nor staying out could of itself give us a higher growth rate, higher standard of living or a sounder economic base.

"The quality of our economic management will be far more important than Market affiliations. What the Chancellor did last week could improve our growth rate far more than tariff changes of six countries of Europe."

For over a decade, there had been an attitude of defeatism towards the Commonwealth.

There had been deliberately in parts of Whitehall a continuous and insistent attempt over the last ten years to divert Commonwealth trade because of EEC expectations.

But it still remained true that British exports to the Commonwealth had increased nearly tenfold in value since 1938 and had doubled in volume.

There had been conflicting claims among the experts on the effect of entry on our balance of payments. Some could be dismissed.

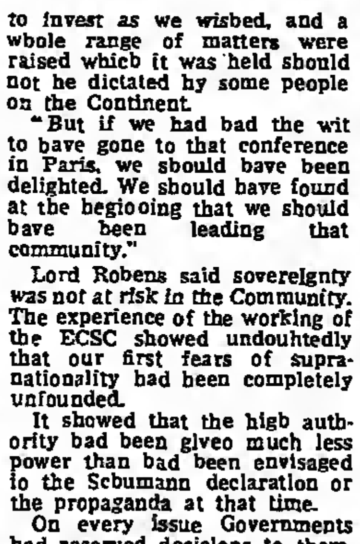
It was difficult to take seriously the White Paper's claim that the additional cost on food imports would only be £5m., rising to £50m. a year. This could only be dismissed as "pure fantasy."

Growth rate

He said it had been said that the growth rate in the EEC countries was higher than ours and this was true. But it had nothing whatever to do with EEC membership.

Our growth record under governments of different colours had been low because it had been deliberately restricted for balance of payments reasons.

"If we had lost the war with Germany, if our national debts had been largely wiped out, if we had been spared any military expenditure overseas, if we had been helped to re-equip our industry for anti-Communist reasons, and if we had worked as hard as the Germans, then our growth rate would be immensely higher and would appear to be more favourable.



ROBENS . . . Labour's error in 1951.

"But that proves absolutely nothing about the dynamism of EEC membership."

Lord Beswick said immediate wage demands would follow additions to our living costs.

The only way that trade unionists would know of implementing Government promises of higher living standards would also be by ever-higher wage claims."

The question of regional development had not received much attention. He asked whether more prosperity at the centre would mean better conditions in the regions.

"There is a tremendous pull to the prosperous centre and if the entire moves to the lower Rhine or to Brussels, then how much more difficult will it be to get a firm to put its factory along the Clyde or on the Tyne?"

He went on to say that what had happened on the Continent might be best for the Six. "Even their bizarre agricultural policy is preferable to the waste and degradation of the Siegfried and Maginot lines.

"What a wonderful thing it is that those who once slaughtered each other by the hundred thousand on the Somme and at Passchendaele should now be arguing about formalising taxation and having a common currency.

"But that 'immensely far-seeing and truly great Frenchman' had been right when he had *declared* that our way, Britain's way, lay in a somewhat different direction."

Lord Beswick said that to say that the only alternative to Europe was isolationist stagnation was not in accord with the facts. When any country was within 12 hours supersonic flying time of another and when communication was so advanced, it would be tragic in the extreme if Britain gave up her role as a world *trading* state.

Lord Robens (Lab.), in his maiden speech, spoke of the Schumann discussions on the founding of the European Iron and coal community in 1951, saying: "I remember well a Cabinet meeting at that time.

"There was Clem Attlee doing one of his intricate doodles and the booming voice of the late Lord Dalton making sure that he was completely heard, but the whole of the argument was based on whether we were interpreting the words, 'supra-national authority' correctly.

"It was held that it would be impossible for this country to attend that *conference* because the concept of a supra-national authority was that it would run counter to our own sovereignty.

"It was held that it would run counter to our right to run our industries as we wished and to *invest* as we wished, and a whole range of matters were raised which it was held should not be dictated by some people on the Continent.

"But if we had had the wit to have gone to that conference in Paris, we should have been delighted. We should have found at the beginning that we should have been leading that community."

Lord Robens said sovereignty *was not at risk in the Community.* The experience of the working of the ECSC showed undoubtedly that our first fears of supranationality had been completely unfounded.

It showed that the high authority had been given much less power than had been envisaged in the Schumann declaration or the propaganda at that time.

On every issue Governments had reserved decisions to *themselves.* It had been the Council of Ministers, not the high authority, which had emerged as the supreme executive institution with each Minister representing his national government and his national interest.

He said entry would open up new opportunities for the British coal industry because from January 1, 1973, British coal could flow freely into the Community countries. Up to now we had been bound by quotas and licensing arrangements.

Neither coal nor steel had anything to fear from joining the EEC.

Lord Robens said it was a matter of great personal regret for him that the National Union of Mineworkers at its conference had spent precisely 13 minutes on this matter and had decided to vote against entry.

If we were afraid of competition *in* the present Community we should pack up and go home to a peasant society.

Lord Robens said: "I think, by and large, they are the best terms that negotiators could possibly get."

He was very much fortified in his assertion by people he had known in politics and business for over a quarter of a century whose honour, integrity and honesty could not be impugned by *anybody.* They were Mr. Roy Jenkins, Mr. Michael Stewart, Mr. George Thomson and Lord George Brown.

"These people were as intimately involved in negotiations as anyone else. If the vote were determined entirely and solely by those intimately connected with negotiations under the previous Administration there would be a majority for entry. For me that is good enough."

Shinwell accuses the Press

Viscount Watkinson (C.) said the attitude of the TUC at the moment was utterly inward looking and defeatist. "*If* we cannot cope in the Common Market we cannot cope at all," he said.

Lord Shinwell (Lab.) said that when Lord George-Brown spoke yesterday the Press gallery was "crowded to suffocation."

He asked: "And for what purpose? Interest in the Common Market? Not at all. The *interest* was in what is alleged to be internecine struggles in the Labour Party.

"I have here the Daily Mail. I make no charge for this gratuitous advertisement, but the Daily Mail tells us 'George knocks Wilson for six.' The *Daily Mirror* did better than that with 'George puts the knife in.'"

"What is it all about? That is what the Press is Concerned with. The Press is hoping for some personal references in every quarter, and although the Lord Chancellor did his best to ignore it, some thoughts escaped him when he was talking about personal honour."

Lord Shinwell said politicians and Prime Ministers had often been subjected to criticism of the most harsh character. But he thought personalities should be left out of the debate.

"The crux of the matter, the very core, is whether our own institutions are to be controlled by an undemocratic assembly sitting in Brussels or Bonn or whether it may be.

"From the very outset, that has been the line I have taken—not the economic line, nor the line about the cost of food, but the line that our foreign affairs and defence were to be controlled by somebody outside this country."

Lord Shinwell said he could understand peers who were industrial tycoons supporting entry into the EEC, but he added: "I cannot understand aristocrats and descendants of kings in this House, *families* associated as advisers to Queen Elizabeth and succeeding monarchs, being ready to enter Europe. For what? *For* a higher standard of living and a share in a bigger market? It is enough to turn their ancestors in their graves."

The Earl of Longford, former Labour leader of the Lords, said he had no doubt that the terms now available would have been accepted by the Labour Government in 1967. He could not prove it, but he believed it to be so.

He said: "Surely if we in the Labour Party pride ourselves in international affairs, it is that we have stood for the vision of an international society quite different from the present one. Not just an improved, not just a more cunning arrangement, but a new kind of society altogether. A society based on the idea of the elimination of national sovereignty, not to international anarchy, but to the establishment of world institutions, including a world police force."

Heath taunts Wilson on memoirs

REJECTING Opposition criticism of the economic and social effects of Government policy, the Prime Minister yesterday turned his Question-time session in the Commons into a bland assessment of the social and economic prospects of Mr. Harold Wilson.

Buoyant Tories cheered Mr. Heath's suggestion that the efforts of the Leader of the Opposition to sell his book could at any rate help to keep down the level of bank advances.

The exchanges—making clear a growing conviction on the Government backbenches that Mr. Wilson's political prospects could also be *fruitfully* examined—began from the Government backbenches, with the advice that Mr. Wilson should write a "shortened popular version" of the section of his memoirs dealing with the Common Market.

This version, it was maintained, could deal with his enthusiastic attempt to gain entry into *the* Market in 1967. It would enable the public to decide whether he *was being politically* honest then, or whether he was being politically honest now.

Also, would the Prime Minister give permission for this popular version to be released through the Post Office?" Mr. Peter Rost (Con., Derby S.E.) wanted to know.

Hospitality

Mr. Heath, in his most considerate tone, replied: "*I doubt* whether I could persuade the Leader of the Opposition to do this, unless I invited him round for a drink."

Tory delight was redoubled at this indirect reference to Mr. Wilson's recent comments in a TV interview on the comparative unconviviality of the present Prime Minister.

The Opposition Leader thought it time to intervene. Up to this point he had accepted the barbs and the urbanities alike with a somewhat set smile.

While accepting the Prime Minister's kind invitation, he wondered — in view of a reported account of what happened when Mr. Heath entertained—if only one glass would be brought in for the occasion. Will the Prime Minister undertake, if only one glass is brought in, that he will not hog the lot himself?" Mr. Wilson asked.

Urbanity tottered a little as Mr. Heath retorted: "You have accepted my hospitality on official occasions in the past so you know the *answer* to that one."

PM plans pro-Market speech tour

The Prime Minister is to tour various parts of the country, including the Development Areas, in the next few months, to speak on Britain and the EEC, he told the Commons.

In reply to Mr. William Hamilton (Labour West Fife), Mr. Heath said: "I intend to make a number of speeches in various parts of the country in the next few months on Britain and the European Economic Community, which will cover the implications of entry for the United Kingdom as a whole, including the Development Areas."

£ drops $9\frac{1}{2}$p in value since June 1970

ASKED about the value of the pound, Mr. Terence Higgins, Minister of State, Treasury, said in the Commons: "On the basis of the movement in the General Index of Retail Prices, the purchasing power of the £ fell by 9.3 per cent. between mid-June, 1970, and mid-June, 1971, the latest date for which information is available. In money terms, this is equivalent to a fall from 100p to about $90\frac{1}{2}$p."

Mr. Gerald Kaufman (Lab., Manchester Ardwick) commented that, with Tory inflation at its present ruinous rate, the effect of the cut in purchase tax would be completely wiped out three weeks from now.

Mr. Higgins said Mr. Kaufman was taking a rather narrow view. There was also the cut in SET and the CBI had taken an initiative on *prices* which was generally welcomed.

New chairman

MR. J. F. Holman has succeeded Mr. A. N. Irens as chairman of the South West Economic Planning Council, said the Environment Secretary Mr. Peter Walker in a Commons written reply. Mr. Irens, chairman of the council since *1965*, retired on completion of his office.

MP calls for action to beat pollution in industrial areas

THE conclusions of the first report by the Royal Commission on Environmental Pollution were meagre in the extreme, said Mr. *Brynmor John* (Lab., *Pontypridd*) in the Commons yesterday.

The Government should give some indication of its thinking on finance to rectify pollution and the principles involved.

He was speaking in a debate on the Consolidated Fund Appropriations (No. 2) Bill.

The Royal Commission had not started off with the right sense of priorities, he said. Much time and effort had been expended on the global effects of atmospheric pollution.

The older industrial areas had experienced pollution and dereliction for a considerable time and they could not be expected to be at this state of affairs indefinitely.

The older areas wanted to share in the "better to-morrow" and not in 100 years time.

"Unless the Royal Commission deals with this as one of its urgent priorities, I fear the older industrial areas will be pushed to the back of the queue with every passing whim of fashion."

Mr. Arthur Blenkinsop (Lab. *South Shields*) said people were at last waking up to the fact that they did not have to accept conditions which, for so long, they had assumed were inevitable.

"They are not inevitable if we are prepared to pay the price of cleaning up."

Mr. Michael McNair-Wilson (C. Walthamstow E.) said the main problem was that ordinary people did not see themselves as environmental polluters.

People who left litter in beautiful parts of the countryside at week-ends did not think of themselves as spoiling the countryside; they just did not connect themselves with the environment in which they lived.

Mr. Joseph Harper (Lab. Pontefract) complained about the extent of pollution of rivers in his city.

"It is so bad in Pontefract that in June it looks like January. The detergent is so thick it looks like drifts of snow."

Mr. Eldon Griffiths, Joint Parliamentary Under-Secretary for Environment, said the Royal Commission report was a clear statement of some of the most complex problems.

"It manages to avoid the hysteria which any reference to pollution can bring among some commentators. It gives clear advice to the Government on those issues which the members of the Royal Commission regard as the most important."

The Government warmly welcomed it.

Last winter there was a setback to the smoke control programme because of the shortage of solid smokeless fuel.

"This problem has now been overcome and we have issued a circular urging all concerned once again to go ahead with all speed with smoke control.

"In some ways, now that we are within sight of overcoming the old problems of atmospheric smoke from the old-fashioned coal fireplaces, the motor-car and the lorry between them may now well be the major source of air contamination in our big cities.

"We do not need in this country quite the same rush into the sometimes excessive anti-pollution controls that have been set out in California, but we certainly cannot be indifferent to this danger."

The Government's policy was to adopt "a severely practical approach" to *pollution from* internal combustion engines.

Referring to the new British Standard governing emissions from diesel engines, he said he expected these regulations to come into effect next year.

"They will lower smoke levels well below those accepted by most of our industrial competitors.

"One reason why we cannot let up *is we simply do not know* enough about the long-term effects of the more complex contaminants which are at present in motor exhausts.

"It would be commercially foolish to allow our competitors to steal a march on us in low pollution vehicles.

"Our aim is to work out suitable and practical standards to reduce vehicle pollution in company with our European neighbours who make cars. It is our policy to move towards adopting EEC standards."

Remarking that "We have really got to stop taking water for granted, as something that just happens when you turn on the tap," Mr. Griffiths said already one-third of the water drunk in our major cities was taken out of rivers which had previously received sewage and industrial discharges.

To-morrow morning's sewage, after being suitably purified, could be the water in MPs' whisky this weekend.

It might be necessary to ask industry to pay a larger part of the cost of dealing with the more complicated type of effluent.

"6d pieces withheld by banks"

JOINT stock banks were "deliberately refusing to issue 6d pieces," said Mr. Geoffrey Finsberg (C., Hampstead) said in the Commons.

"They have no space in their tills and if you ask for them you grudgingly get them brought in dirty paper bags." This was one of the reasons why London Transport increased their fares.

He asked the Minister of State for the Treasury, Mr. Terence Higgins, to request the banks to issue the $2\frac{1}{2}$p coins freely and not just on demand.

Product Support

PRODUCT SUPPORT (Graphics), a subsidiary of Rolls-Royce (1971), planned to reduce its work force by about 130, because of a reduction in Rolls' requirements for its output, said Mr. David Price, Parliamentary Secretary for Trade and Industry. On the *future of this subsidiary,* the Ministry said he understood that some areas of work would be transferred to Rolls and that the remainder, representing the major part of its activities, would be offered for sale as a going concern.

CBI prices move doing well—Barber

BY OUR PARLIAMENTARY CORRESPONDENT

FORD is to back the CBI's drive to secure a 12-month policy of price restraint, Mr. Anthony Barber, the Chancellor of the Exchequer, announced in the Commons yesterday when he joined other Treasury Ministers in maintaining that there are good prospects for a slowing down in the pace of price increases.

He described reports that American-dominated companies in the private sector were not responding to the CBI proposal as "very misleading"—he had been informed that Ford "*intends to sign.*"

The reports which had appeared in some newspapers that Chrysler and Vauxhall had decided not to sign were quite untrue. They had not yet decided.

Amid Government cheers Mr. Barber declared: "Generally the information coming to the CBI in response to its initiative is very favourable so far."

Under questioning from the Tory backbenches, the Chancellor admitted that the undertakings given by the nationalised industries to support the CBI initiative would involve them in deficit financing. There would be additional demands on the *National Loans Fund.*

But it should be borne in mind, he said, that the nationalise industries would benefit from increased output, and increased turnover as a result of the measures announced in the "mini-Budget." Also their pay increases would be at a lower rate than they would otherwise have been.

Replying to a complaint from the Labour benches that it was "unfair and unwise" to enforce price moderation on the nationalised industries without controlling private industry, Mr. Barber claimed that the country welcomed the CBI initiative and the response made to it by the nationalised industries.

The Chancellor stressed that the cuts in purchase tax had led to price cuts over a wide range of goods, while Mr. Maurice Macmillan, Chief Secretary to the Treasury, insisted that the 50 per cent. reduction in SET had also had beneficial effects for consumers.

"Prices are beginning to come down, including food prices—even *beef* prices have come down."

Mr. Barber brushed aside a charge by **Mr. Joel Barnett**, from the Opposition front bench, that the "mini-Budget" amounted to a complete reversal of previous Government policy. "I think the action I took and announced last week was very sensible in the circumstances," he said.

From the Tory backbenches, **Mr. J. Bruce-Gardyne** (Con., South Angus) reminded the Chancellor of his previously stated opposition to "fine tuning the economy" and called for an assurance that, if the latest measures were slower in taking effect than had been anticipated, he would not be inclined *to add* to them.

Mr. Barber answered that he would follow the same principle which he had applied throughout—"to take whatever action is required when it is required."

CAPITAL GAINS TAX—While rejecting a demand for the abolition of capital gains tax, Mr. Macmillan reaffirmed the Government's view that it had "a number of defects." **Mr. J. *Boyd-Carpenter*** (Con., Kingston-upon-Thames) asked him to consider that aspect of the tax under which liability arose where there had been an increase in money value but no increase in the real value of the asset.

The Chief Secretary commented: "I think the taxation, virtually, of inflation is one which has got to be very carefully considered."

PUBLIC SPENDING—Questioned about the latest estimate of the percentage increase in public spending, Mr. Macmillan stated: "Allowing for the additions to public expenditure in 1971-72 announced since the Budget estimates, the increase is 2.5 per cent. at constant prices (including the relative price effect) over the provisional outturn for 1970-1971.

"This total is equivalent in size to about 51 per cent. of estimated gross domestic product at factor cost."

'Indignation' at mortgage rates

THERE was "growing public indignation" that building societies were still charging $8\frac{1}{2}$ per cent. interest to mortgage borrowers at a time when the Bank Rate "*sits at 6 per cent,*" said **Mr. Walter Johnson** (Lab., Derby S.) in the Commons yesterday.

In addition, building societies had benefited by a 50 per cent. reduction in SET and cuts in corporation tax and Income-tax. "When will the general public get some benefit from this reduction?" he asked.

He urged that immediate representations be made to the building *societies organisation* to get the interest rates down.

Mr. Terence Higgins, Minister of State, Treasury, said: "Building societies' mortgage rates are essentially a matter for the building societies concerned and not for the Government."

Mr. Robert Cooke (C., Bristol W.) said that when he had asked at an earlier date if consideration could be given to referring "these rings relating to interest rates" to the Monopolies Commission, he was told the matter was under consideration under the whole question of credit control.

Mr. Higgins: "I pointed out then that this was a matter for the Department of Trade and Industry."

It was a case which was relevant to the question of control and the consultative document issued by the Bank of England made reference to this.

It indicated that the authorities were aware of the overall question as far as monetary control was concerned and would bear in mind the points about building societies' interest rates.

Malta: decision needed soon, Commons told

IT WAS extremely important both for Malta and Britain to reach a clear-cut decision on a defence agreement "as soon as possible and certainly before October," said Mr. Patrick Wall (C. Haltemprice) in the Commons.

"When talking about a defence agreement I appreciate this question goes wider than merely an agreement between Malta on one side and Britain, or NATO, on the other. "In my view, Malta is still of considerable strategic importance to the West."

"The importance of Malta today is to NATO and the defence of Europe rather than the Royal Navy and the defence of Britain.

"From the point of view of NATO and Britain, redeployment of our *forces* is *quite* possible—*I* do not want it to happen and I am sure the Government and NATO does not want it to happen, but it could happen.

If agreement was not reached between Britain and NATO, Mr. *Dom Mintoff,* the Prime Minister, might go towards the East and give the use of the dockyard facilities to the Soviet Union.

Mr. Wall said he hoped the people of Malta "appreciate that, with the best will in the world, there is a price in cash and strategic realities that neither Britain or NATO could go beyond."

Mr. George Wallace (Lab., Norwich N.) said: "It is quite just for the Maltese to say that the money we are paying has altered in value and there is a case for stepping it up."

The Minister of State, Defence, Lord Balniel, said that under the *terms* of the 1964 financial agreement the Government made available to Malta £50m. "for the diversification and development of the economy."

These payments were being made on the basis of 75 per cent. grant and 25 per cent. loan. There now remained to be paid out some £9.4m. in the remaining two and a half *years* of the 196[illegible] agreement.

The stationing of 3,500 servicemen and their families provided direct employment for about 5,000 civilians and indirectly provided work for a further 1,4[illegible] civilians.

Britain would like to have an agreement with the Malta Government but there was a balance that had to be struck between the terms and conditions of defence of the island and the value we could put on the facilities.

Chemical ITB extension bid

By Elsbeth Ganguin

PROPOSALS submitted by the Chemical and Allied Products Industry Training Board to Mr. Robert Carr, Secretary for Employment, for its 1971-72 grant scheme include further assistance for small companies.

Companies with payrolls below £25,000 will not have to pay levy but can opt into the grant scheme on paying £10, thus qualifying for grants up to £110. In addition they can get a minimum grant of £300 for management training and development, and also grants payable for training needs analysis.

If such concerns employ recognised training staff, they can claim a grant of up to £600.

Grants for travel and subsistence are to be abolished, except for under-18s. Savings thus achieved will pay for the other changes in the scheme. Other savings will come from reductions in some other grants, all of which is in keeping with the Board's stated policy of concentrating efforts on training quality rather than *quantity,* and of reducing levy gradually year by year.

Other Overseas News

IN BRIEF

● **THE AFRICAN** Development Bank plans investments totalling $80m.—to double its present commitments—during 1971-73, President A. Labidi told the annual meeting at Kampala. The conference is discussing plans for a new African Development Fund for which western countries have offered to provide $75m. over a three-year period.

● **MALAGASY's** scheme to build a giant tanker repair yard at Narinda, on the north-western coast of the island, has taken a step forward with the signing in Paris of an agreement between the Tananarive government and a group of French shipyard and engineering concerns, providing for contributions from the French group of francs 70m. towards the total francs 200m. cost of construction of a deep sea port.

● **UGANDA** President Amin left here yesterday for a one-day visit to Ethiopia where he is meeting Emperor Haile Selassie and visiting the organisation of African Unity Headquarters. He will then fly to Liberia for President Tubman's funeral.

● **ZAMBIA** will pay some Kwacha 5m. (about £3m.) a year in pay rises to civil service employees. This emerges from the publication of a white paper which overhauls the structure of the civil service. Increases of up to 20 per cent. are granted, but officials said the proposals were not out of line with the government resolution to limit salary increases to 5 per cent. per annum because civil service scales had not been reviewed since 1967.

● **CANADA** is making $C7m. worth of assistance available to the people of East Pakistan and a further $C2m. to East Pakistan refugees in India. It also authorised the release of $7m. more in food aid for Pakistan to be sent in the form of wheat and indicated that more assistance for East Pakistani refugees could be expected soon.

Russia speaks on Sudan, said to urge clemency

BY OUR OWN CORRESPONDENT CAIRO, July 27.

THE SOVIET UNION has suggested to President Sadat that Egypt might use its influence in the Sudan to gain reprieves for the Communists facing death penalties in President Jaffar al Nimairi's purge, according to sources here.

It is understood that no official demarche has been made. The Egyptian reaction is not known, but it is highly unlikely that Cairo would take any action that would smack of intervention in Sudanese domestic affairs.

However, the sources pointed out that President Sadat has always argued for restraint and clemency in similar situations in the past.

It has been announced on Radio Omdurman meanwhile that one leading Communist, Mr. Joseph Carang, who was Minister of Southern Affairs in President Nimairi's Government, has been hung for his part in last week's coup attempt. His death brought to 13 the number of people executed for alleged complicity.

Abdel-Khalek Mahgoub, Secretary-General of the Sudanese Communist Party, who is reported to have confessed yesterday that he was the mastermind behind the abortive coup, was standing trial to-day and faces death by hanging. Conducting his own defence, Mahgoub pleaded not guilty. The Proceedings were held in public to-day, but to-night Mahgoub appeared to have won an adjournment of the trial which, it is believed, will resume in private.

According to the Egyptian newspaper Al Akhbar, Mahgoub said he had been in regular contact with Major Hashem Al Atta, the coup leader, since he escaped from jail on June 30. He had not been responsible for the military arrangements for the take-over, but his central committee had organised support programmes, held meetings and sent cables.

In Tripoli Major Bashir Saghir Hawadi, member of the Libyan Revolutionary Command Council, said that countries of the Tripoli pact—Libya, Egypt and Syria—had agreed "to crush the Communist rebellion and to restore brotherly Sudan to the fort of Arab struggle." But the intervention plan was suspended when Colonel Babakir El Nour and Major Farouk Hamsdallah the two leaders of the abortive coup executed yesterday, were taken from the BOAC flight to Khartoum.

Richard Johns writes: In a strongly worded statement, issued by the official news agency Tass, the Soviet Union to-day deplored "the bloody terror" in the Sudan and called for a halt to the arrests of Communists.

In the past the Soviet Union has remained silent while members of the Iraqi and Syrian Communist Parties have been suppressed. But Moscow could hardly keep quiet about an open showdown on the scale of the one Nimairi is having with the party in Sudan.

It is generally believed in London that the Soviet Union did not actively support Major al Atta's coup because it could not be sure that a Sudanese Communist regime would have a strong enough base.

Iran signs petrochemical and oil exploration deals

BY OUR OWN CORRESPONDENT TEHRAN, July 27.

THE NATIONAL Iranian Oil Company to-day signed an agreement in principle with the Japanese group Mitsui on a $350m. petrochemical project, according to Dr. Manouchehr Eghbal, NIOC's chairman.

The joint venture will involve a complex near the Iranian port of Bandar Meashar on the Gulf. The Persian Government will raise $100m., with the balance of $250m. coming from Japanese credits.

In addition, NIOC has signed three deals on joint ventures for oil exploration involving expenditure of $100m. The terms are hailed here as "unique and extremely favourable to Iran."

The oil agreements cover an area of 14,600 square kilometres relinquished by the Iranian oil operating companies (the Western consortium) three years ago. All three concern joint ventures; cover a 20-year period, extendable by two five-year periods, and allow for down-payment bonuses when accumulative production reaches, first, 100,000 cubic metres a day and, second, 100m. barrels a day.

In addition, the foreign partners are obligated to take NIOC's 50 per cent. share of the oil if the State oil corporation does not want it, and will pay tax at OPEC rates.

A Japanese consortium composed of Teijen, Mitsui, North Sumatra Development Corporation, and Mitsubishi Shoji will invest an initial $35m. in cash as immediate down payment for the right to develop an 8,000 square kilometres area in Lorestan, in South-West Iran, and will invest a further $25m. in exploration within six years. This rich oil area promises a relative low sulphur crude and huge reserves.

In the Gulf, Amerada Hess Corporation, the UC independents, will pay $5m. for 3,100 square kilometres of off-shore drilling rights near the port of Bushire and will spend a further $22m. on exploration. Mobil Oil Company has agreed to develop 3,500 square kilometres near the Hormuz Straits, paying $2m. in bonuses and spending $11m. on exploration.

When accumulative production reaches 100,000 cubic metres, the Japanese consortium will pay a cash bonus of $5m., Mobil $4m., and Amerada Hess $3m. At the 100m.-barrel mark Japan will pay a further $5m., Mobil $6m., and Amerada $3m.

SOUTH AFRICAN-FRENCH RELATIONS

More than just arms deals

BY JACK SPENCE

THE SOUTH African Government is now a step nearer its goal of self-sufficiency in armaments production as a result of the contract to build Mirage jets in the Republic under licence from the French aircraft company Marcel Dassault. The Atlas Aircraft Corporation will build the Mirage III and F-1 jet fighters under the deal which was negotiated by the Armaments Development and Production Corporation of South Africa (ARMSCOR). The two aircraft are by far the most sophisticated Atlas has tackled so far and, although it is not known how many components will be locally produced and how many will be imported, it is clearly a great advance. No one should now underestimate the capacity of the local industry of achieving a high degree of self-sufficiency in the long run.

No details about the cost of the deal or the numbers of planes involved in each category have been released officially, but informed sources in Paris suggest that an initial production run of 50 is scheduled at a total cost of well over $50m. What is known is that the F-1 will probably cost about 30 per cent. more than the Mirage III; it is a more powerful version of the latter, designed to be a single seater interceptor capable of operating from rough runways with a range of about 2,000 miles and can be fitted to carry bombs, rockets or air-to-air missiles.

This agreement (the largest the company has made since its December, 1969, decision to sell 110 Mirages to Libya) is a significant stage in the development of Franco-South African military relations which began nearly a decade ago. Despite its formal acceptance of the December, 1963, Security Council resolution calling on all states to "cease forthwith the sale and shipment of equipment and materials for the manufacture and maintenance of arms and ammunition in South Africa," France has insisted on making a distinction between weapons which might be used for internal suppression and those which it regards as entirely designed to meet the threat of external aggression.

With this reservation to the UN arms embargo in mind, France became the Republic's major supplier of weaponry in the 1960s. The South African Air Force, for example, was equipped with a variety of Mirage fighter bombers and reconnaissance aircraft; Alouette and Super Frelon helicopters were also supplied and the Navy undertook to purchase three Daphne-class submarines. In addition the two countries have co-operated in the development of the Cactus air defence system.

The recent agreement is significant in that it demonstrates that the South African Government still regards France as its most reliable partner in the field of arms procurement. Secondly, the deal implies that the Gaullist tradition of indifference to the criticisms of independent Africa is being continued by the Pompidou administration.

The pragmatic approach of the French to issues of this kind has an obvious appeal to the South African Government, particularly in view of the fact that the issue apparently raises little *consistent* interest or concern in the French news media or among public opinion as a whole, apart from sporadic trade union protests at French policy towards the Republic.

The relative absence in France of any widespread public debate about the morality of such relations is conveniently in harmony with the South African insistence on the principle of non-interference in domestic affairs as a basic requirement for the orderly and successful conduct of foreign policy.

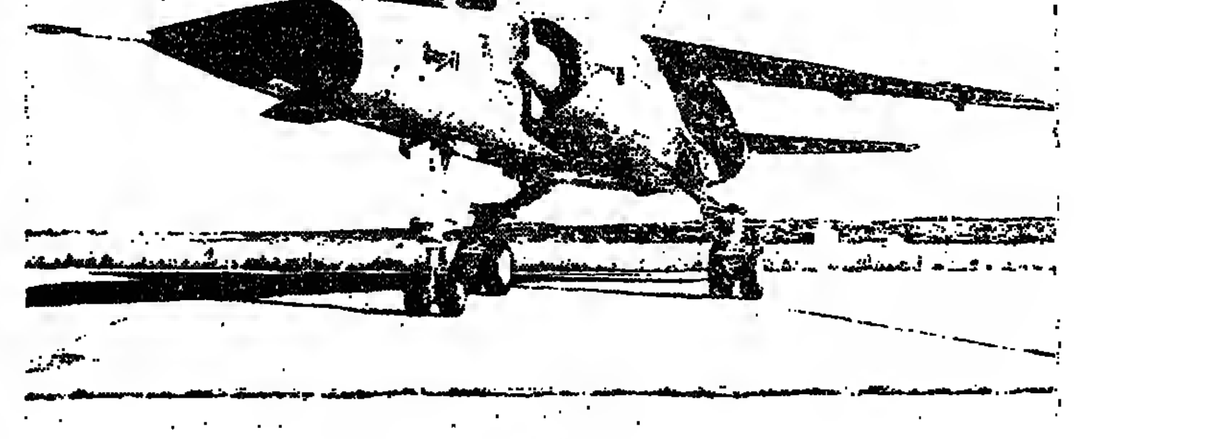
On a more practical level, military co-operation with France is welcomed as evidence of at least one important Western Power's conviction of South Africa's importance in global strategic terms. Whether in fact French policy is motivated by such considerations is beside the point and indeed there has been little enthusiasm for the hints dropped by the Republic's leaders from time to time that France might replace Britain as the chief beneficiary under the Simonstown Agreement. What ultimately matters from Pretoria's standpoint is the comforting knowledge that the isolation so often reflected in massive majorities against its policies by the General Assembly of the UN is more apparent than real. Much more important is the creation of concrete ties with specific countries and in the French case it is the links in the "maritime and defence fields" that really count as Mr. P. Botha, the Minister of Defence, stressed in March, 1969.

Furthermore the Dassault agreement should be seen in the context of the British Government's decision to go no further for the time being than meet its alleged obligations under the Simonstown agreement. The authorisation of the sale of seven Wasp helicopters earlier this year has not been followed up by any new commitments on the British side. This may not be for want of trying as far as the latter is concerned, but rather because of a calculation by South Africa that arms dealing with Britain is an uncertain or unreliable enterprise given the domestic and Commonwealth hostility the issue inevitably evokes.

By contrast, the African states which have close economic and military ties with France also purport to be interested in "Dialogue" with South Africa. The result is a happy coincidence of interest between the Republic's aspiration to establish close economic and political ties with independent Africa and at the same time assure itself of a solid and reliable friend in the Western camp. There is evidence to suggest that Paris has acted as a clearing house for the cultivation of contacts between the Republic and the more friendly disposed of its continental neighbours. By encouraging the proponents of dialogue in West Africa and, at the same time, securing its role as the Republic's chief supplier of arms, France may well be operating on the assumption that it has a specific contribution to make to transforming relations between black and white Africa. In terms this argument, it is claimed, the parties concerned stand make gains: French credenti as "middlemen" between Republic and the African sta are assured in the eyes of So Africa's leaders; they g much-needed military equipm and the possibility of splitt the ranks of their enemies in OAU.

South Africans attach c siderable significance in th military links with France. Th have been assiduously built over the past 10 years although there is no form treaty. Die Burger, an influent pro-Government newspaper marked recently "South Afr and France have virtua entered into a military partn ship." But the Government equally clear-headed about future. They are seeking milit self-sufficiency to protect country from a cut-off in suppl of assembly materials, wh could arise from a change government in France, just as arose from changes of gove ment in Britain during the 196

Faced with a choice betwe Britain and France, Sou Africa's leaders have clearly be more impressed with the latte consistency of purpose in ref ing to be deflected in the past external criticisms of its ar policy. They may conclude th in the changing circumstances South Africa's position on t Continent, the French are lik to be just as reliable in t future. Finally it is worth str sing that French support for t republic in the years of isolati in the 1960s may well be warded by future orders weapons such as the Bregu naval reconnaissance pla which is rumoured to be a stro competitor for the Hawk Siddley Nimrod.



The Mirage F1.

Sadat expects Suez oil-line agreement on Thursday

BY OUR OWN CORRESPONDENT CAIRO, July 27.

PRESIDENT Sadat told the Arab Socialist Union national congress in closed session yesterday that the agreement for the construction of the Suez-Alexandria pipeline would be signed on Thursday, according to Al Ahram.

However, it is understood that any agreement is likely to be a provisional one because of the increase in cost following the decision to increase the pipeline's capacity and the consequent need for Western Government's to increase their finance underwriting commitment.

Sadat said the total cost would be $236m. financed by West European countries, Saudi Arabia and Kuwait. There would be two pipelines with an initial capacity of 80m. tons, rising later to 120m. tons, and producing an annual income of $130m., rising to 180m, when the two lines were at full flow, Al Ahram reports.

Consortium sources, who have been negotiating here since June 14, would not comment, except to say that there are some details of prices still to be settled.

There is some doubt about the British participation in the project. The two representatives of Constructors John Brown left Cairo suddenly on Friday, apparently having withdrawn from the project, in which they were due to build tank farm installations at the Suez end.

Richard Johns writes: Britain's offer of £12m. finance (about $29m.), to be underwritten by the Export Credits Guarantee Department, is dependent on participation by U.K. firms in the project.

According to recent reliable information, last week the Egyptian Government was still short of nearly $50m. guaranteed finance for the foreign exchange cost of the project estimated at $235-40m.

Zambia will not take control of banks

BY OUR OWN CORRESPONDENT LUSAKA, July 27.

ZAMBIA has reversed its decision to take over control of banking sector. The long awaited announcement regarding the position of the banks following last November's round of economic reforms has taken a surprising form.

A State House spokesman said that the Zambia Government is to take 60 per cent. control of Commercial Bank (Zambia), and will develop its national commercial bank as in the past two years but will hold no further participation talks with any other banks.

From January 1, 1972, all foreign banks will be required to be incorporated locally, with minimum Kwacha2m. capital and at least half the directors resident in Zambia. Merchant banking is to be undertaken by commercial banks only. This means that the plan to form two major banking groups as outlined by President Kaunda last year has been changed.

At that time it was said that Barclays was to merge with the National Commercial Bank with the Government taking 51 per cent. shares in the new group and Standard Bank was to offer 51 per cent. to the Government in its operations. The two groups were then to proceed to absorb the remaining banks, namely Commercial and National and Grindleys. The merchant bank was also to offer 51 per cent. shares to the Government.

Pakistan may reject British aid

By Our Own Correspondent

KARACHI, July 27.

THE PRESIDENT'S Economic Adviser, Mr. M. M. Ahmed, told me to-day that Pakistan might not accept aid from Britain, even if it was offered. He said: "It is now not a question of what Britain will give us. The important point now is whether Pakistan will be willing to accept British aid at all."

Mr. Ahmed said British aid to Pakistan had been insignificant, and its withdrawal or complete stoppage would not have any affect on Pakistan's economy.

Although West Germany and Canada have also withheld economic aid to Pakistan pending a return to normalcy in East Pakistan, Pakistan reserves special contempt for Britain. From my talks with Mr. Ahmed it seems it would be difficult for Pakistan-British relations to return to their previous level.

But Mr. Ahmed said the Government's attitude to foreign investment will continue to be governed by the procedures already laid down.

The Presidential Adviser ruled out the possibility of stretching Pakistan's Rs.75,000m. (£6,700m.) Fourth Five-Year Plan beyond June 30, 1975. He said there was no sense in the idea of stretching the Plan because that would entail reshaping and recasting the whole plan.

Mr. Ahmed explained that the Plan was flexible enough to make minor adjustments if needed. Periodical reviews were undertaken as a matter of routine to keep a close watch on the progress of the Plan's projects. He also said categorically that there would be no change in the principal objectives of the Plan.

Japanese bank rate cut again

TOKYO, July 27.

THE BANK of Japan to-day announced it would lower its bank rate in what is regarded as part of an all-out effort to stimulate a full-scale economic recovery and avert international pressure for revaluation of the yen.

Both Finance Minister Mikio Mizuta and Bank of Japan Governor Tadashi Sasaki said financial and monetary measures announced to-day were adopted for external as well as domestic reasons.

The main measure was a reduction of the bank rate from 5.5 to 5.25 per cent., the fourth such cut since last October. The new rate, effective to-morrow, is the lowest since 1955.

Mr. Mizuta said the current recession was expected to end soon as a result of Government actions, including big additional Government expenditures and the bank rate cut.

Mr. Sasaki said in a statement that the bank rate had been lowered because the Japanese economy was still in a condition of stagnation despite efforts made to ease money since last October.

The new cut in the bank rate, coupled with appropriate fiscal steps, was expected to help the national economy move towards stabilisation and achieve both internal and external equilibrium, he said.

Last October, the bank rate was lowered from 6.25 to 6.0 per cent. Two other cuts each by 0.25 per cent. were made in January and May this year.

Mr. Sasaki later added that the rates of interest charged by commercial banks for their loan issues would probably decline following the bank rate cut.

Local banking sources said Japan's balance of trade during the second quarter of 1971 had a surplus which was at an annual rate of 7,000m. dollars.

If the trend continued the source said Japan's external reserve would continue to grow so fast that a revaluation of the yen would become almost inevitable.

The Nippon Kangyo Bank said the national economy would start recovering from around September and the real economic growth rate in 1971 would be about 11 per cent. compared with a slightly more than 9 per cent. last year.

But the Federation of Economic Organisations (Keidanren) said more steps including a large supplementary budget would be required to help the Japanese economy out of the present recession. Otherwise, the economic growth rate this year would be 9 per cent. or less, the Keidanren said.

CBI DOCUMENT ON PRICE RISES

Members' replies start to come in

BY DAVID WALKER

Formal replies to the Confederation of British Industry's call on its members to adopt a policy of voluntary price restraint began to arrive at its London offices yesterday.

Yesterday, its 200 largest members were asked to give a firm undertaking by August 6 that they would peg price increases to a 5 per cent. maximum in the 12 months from July 31. A letter from Sir John Partridge, president of the CBI, told them that the mini-Budget and the Chancellor of the Exchequer's statement that nationalised industries would back the CBI "fully justifies" implementation of the proposals.

At the same time, the 11,300 smaller company members of the Confederation, together with its trade association members, were also asked "to abide by the spirit of the undertaking."

A copy of it was sent to them, too. "Although I am not asking you specifically to sign the undertaking, there is of course nothing to prevent you from doing so if you wish; indeed, it would add even further weight to the endeavour," Sir John has told them.

The undertaking, essential notes on it, a memorandum by Sir John and Mr. Campbell Adamson, the CBI director general, and Sir John's letter to the majority of CBI members, appear below in full.

Sir John Partridge's letter

On July 15 the Council authorised me to seek undertakings from the 200 largest private sector members of the CBI to limit price increases over the next 12 months if the Government took measures to reflate the economy to an extent and by methods which would justify the early expectation of a growth rate of 4 per cent. per annum and if the nationalised industries were prepared to follow suit.

On July 19 the Chancellor of the Exchequer announced cuts in purchase tax, the abolition of hire purchase restrictions and more favourable capital allowances. In his statement the Chancellor acknowledged that the proposed CBI initiative had influenced him in his assessment. He also announced that the nationalised industries would be prepared to accept the same price restraint as the private sector.

The Chancellor's statement (coupled with the measures already announced to assist the development areas) fully justifies, in the opinion of the director-general and myself, the implementation of the CBI initiative.

I am enclosing with this letter a memorandum which sets out the background of the initiative; to it are attached copies of the undertaking and notes on its interpretation.

I have written to the 200 largest private sector members of CBI inviting them to sign the undertaking.

I am reflecting the strongly held view of CBI council when I express the belief that this initiative is in the best interests of British Industry. Council seized the initiative as the best hope of breaking out of the inflationary spiral which, if it continues at its present rate, can only inflict serious damage on industry and the country as a whole.

You will appreciate that the success of this whole endeavour depends on its effect over time in curbing the rate of increase of the retail price index and that this success will in turn depend on the maximum response from companies. It is therefore my very strong hope that you will be prepared to abide by the spirit of the undertaking.

Although I am not asking you specifically to sign the undertaking, there is of course nothing to prevent you from doing so if you so wish; indeed, it would add even further weight to the endeavour. In this event, would you please return the undertaking to Mr. K. J. Webb, deputy director, administration, at these offices by August 6. A photostat copy will be returned to you for your records.

Lastly, in supporting the initiative, may I with respect suggest that you communicate it as widely as possible throughout your company.

The inflationary situation

Memorandum: part 1

While cost-push inflation has been a major concern to Government, industry and commerce for the past two years, it is becoming clear that the situation is now reaching a critical stage. With the retail price index now running at an annual rate of increase of about 10 per cent. we are in danger of developing self-perpetuating inbuilt inflation at a totally uneconomic level. The effects of this on profits, and thus on investment and our future competitiveness, would be serious indeed—as also would be the social effects.

Most of the developed countries have been undergoing a similar experience, but the gap between pay increases and productivity increases, and therefore the resulting increase in prices, is probably more serious in the U.K. than elsewhere.

The CBI for the last 9 months has supported the Government's policy of standing firm in an attempt to lower the level of pay settlements; and some success in this attempt has been achieved in both the private and the public sectors of industry.

Sir John Partridge

Barrier ahead

When the Government took office we made it clear to them that many prices would have to rise significantly in 1970/71 in order to offset substantial increases in costs (particularly labour costs)—and, in general, that over wide areas of industry profitability was inadequate.

If, however, prices continue to rise at a rate of about 10 per cent. —and, unless some new approach can be developed, the chances are that they will—it will be increasingly difficult for managements to secure pay settlements that make any kind of sense. We thus appear to be reaching a stage where—short of some fresh initiative—there is a barrier to further substantial reductions in pay settlements and thus in the level of inflation.

There has been considerable discussion in various quarters on a possible prices and incomes freeze, followed by a statutory prices and incomes policy, or alternatively a voluntary prices and incomes policy agreed between the CBI and the TUC, with or without Government help. To judge from past experience the effects of a statutory prices and incomes policy on companies' profits and liquidity could only be detrimental, while the chances of such a policy having a noticeable effect on incomes would be small —except perhaps in the very short term. Nevertheless, failing any other change in the situation, Government might well come under very strong pressure to take such a step.

The dilemma facing both Government and industry is plain enough. We have endured years of sluggish growth, inadequate profitability and indifferent prospects for investment. The earlier straitjacket was the balance of payments: the recent and present one is violent cost inflation. The effects of the measures contained in the April Budget have yet to come through, but it now looks very questionable whether—with inflation on its present course—they will be sufficient in themselves to avert a deepening recession. Yet we fail to see how any responsible Government could take the risk of further stimulus to demand without some stronger hope of containing inflation.

At this time we see no early possibility of obtaining agreement from the trade union movement to limit pay claims in the present inflationary climate.

We have therefore been considering against this background whether any initiative could be taken by the CBI which could improve the prospects for industry's profitability in the medium and longer term, while at the same time introducing a factor into the situation which could turn down the rate of inflation.

We believe that the situation described in this paper can best be met by an offer by industry of a voluntary limitation on price increases over the next 12 months if Government decides to reflate the economy now to an extent and by methods which would justify such a policy.

We advocate this course of action because we believe it to be to the advantage of industry for the following reasons:

(a) The effects of increased volume of output would in many cases help to improve industry's capacity utilisation and profitability.

(b) The proposal is not conditional on prior agreement with the trade union movement.

(c) The rate of inflation would be gradually turned back, and thus the capacity of companies to resist inflationary pay claims would be strengthened.

(d) The effect on investment intentions of the expectation of lower rather than higher future inflation could be significant.

Public sector

For such an initiative to carry credibility with Government, trade union members and the public, it will have to be as specific as possible.

The pricing policies of public sector enterprises would of course need to be subject to the same restraint as that adopted by the private sector.

It is a corollary of the proposal that employers in both the public and private sectors maintain, and indeed strengthen, the existing policy of resisting as firmly as possible excessive pay settlements, which in our view have been the main cause of the present inflation. Indeed we would expect a positive response to this initiative from the trade unions by their urging greater moderation in pay settlements.

We fully realise the difficulties and the risks inherent in these proposals. We also realise that the circumstances of price/cost relationship vary in degree and kind from one member company to another. On the other hand, we have increasingly come to the view that—failing some breakthrough such as this—the difficulties and the risks facing us all are likely to increase rather than diminish.

Memorandum: part 2

At its meeting on July 15—

(a) Council was informed that leading wholesalers and retailers, whose co-operation to this initiative had been sought, had agreed to do their utmost to minimise price increases and to ensure that the benefits of the CBI initiative were passed on to the general public;

(b) Spokesmen for the public sector enterprises informed Council that they endorsed this initiative and wished to respond favourably to it in terms of their own policies;

(c) Council endorsed the policy recommended in Part 1 of this memorandum and, subject to an adequate response from Government, authorised the President to seek price restraint undertakings from the 200 largest private sector members of the CBI and to seek general support for the policy from all members of CBI.

The undertaking is attached.

The CBI initiative and in particular the undertaking and notes have been communicated to Government. The Department of Trade and Industry have pointed out that the undertaking could be registrable under the Restrictive Trade Practices Acts. In order to meet this point, following the Chancellor's announcement the Department wrote formally to request members of the CBI to agree to restrict price increases on the lines of the undertaking. They also informed CBI that, in so far as such agreement (which would be constituted by signature of the undertaking) and any recommendations by trade association members to their members to support the CBI initiative would have been registrable under the Restrictive Trade Practices Acts, they would be exempted by Order of the Secretary of State. It will be a condition of the Order that the names of signatories of the undertaking and of trade associations making recommendations will be lodged with the Registrar of Restrictive Practices at whose offices they will be open to public inspection.

'We give this undertaking'

We give this undertaking to the president of the Confederation of British Industry in respect of the 12 months ending July 31, 1972.

We undertake to do our utmost:

(i) to avoid raising prices of products/services supplied in the U.K.;

(ii) to limit any unavoidable increase in any of our prices to 5 per cent. and if possible less;

(iii) where, in exceptional circumstances or for reasons beyond our control, a larger or earlier increase is imperative for a particular product/service, to limit the weighted average of price changes over the whole range of related products/services to 5 per cent., and if possible less;

(iv) to time any unavoidable price increase to be distant at least 12 months from any previous price increase; or if this is not possible at least eight months from any previous increase and at a maximum rate proportional to an annual rate of 5 per cent.

This undertaking will be read in conjunction with the notes appended and in particular note (c).

If as the year proceeds we find that conditions beyond our control seriously impair our ability to adhere to this undertaking, we will notify the director-general of the CBI and will discuss our difficulties with him or his officials before taking action.

NOTES TO THE UNDERTAKING

Although this undertaking is not conditional on any compact with the trade unions, we look to them for a positive response to it.

The progress of the policy to which this undertaking relates will be reviewed not later than March, 1972, and this review will take into account the growth of the economy and the trend of pay settlements.

It has to be recognised that the cost of many imported items and much indigenous produce fluctuates, sometimes violently, according to market, climatic or other conditions that are beyond our control. Where such costs are a major proportion of total costs it is impossible to undertake not to reflect them in prices. This particularly applies to edible materials which are the basic commodity of food manufacturers, to various metals and other basic raw materials.

One-off

The clauses of the foregoing undertaking cannot all have application in the cases of capital goods or operations of a "one-off" kind, or goods for which the cycle of manufacture and delivery greatly exceed the currency of this undertaking. Clauses 1, 2(i), 3 and 4 however apply and all such goods will be priced in accordance with the spirit of this policy.

Changes in quantity or quality or product specification in the direction of either increased or reduced value will be regarded as relative prices changes.

Percentage limitations on price increases will be calculated on price excluding purchase tax or Excise taxes that do not enter significantly into costs.

Exclusions

Goods or services priced in currency denominations so small that the minimum price increase for individual items must exceed 5 per cent. are excluded from the limitations imposed by clause 2(ii) of the undertaking but, wherever the range of products allows, such price increases will be brought within the ambit of clause 2(iii).

Price increases notified to customers before the date of commencement of the undertaking although becoming effective thereafter are excluded from the price limitation clauses of the undertaking.

HOME CONTRACTS

Bryant's council housing work

Bryant and Son, of Birmingham, is to build 250 houses and 200 bungalows under a £1.75m. council contract. The work, at the Hopewell Valley housing scheme at Cotmanhay, near Ilkeston, Derbyshire, should be completed early in 1973.

*

Gardiner-Atmin has won five contracts worth a total of £118,601 for aluminium windows in 1,673 homes. Two orders have been placed by Skelmersdale Development Corporation, Lancashire, another two are for Basildon Development Corporation, Essex, and the fifth contract is for a Newcastle-upon-Tyne Corporation housing project.

*

British Ropes has received orders exceeding £1m. from Standard Telephones and Cables for over 5,000 nautical miles of Dyform special steel strand to form the core of two new transatlantic telephone cables.

*

Dust Control Equipment is to supply dust control plant worth £53,000 for the Associated Portland Cement Manufacturers plant at Cauldon Works, Waterhouses, Staffordshire.

Start soon on Edinburgh £3m. office block

WORK IS to begin during the next four months on Alexander House, Edinburgh, which, with 23 storeys, will be the tallest office block in Scotland.

The £3m. building—on the site of the reconstructed Haymarket Station in the West End of Edinburgh—will overlook five counties and contain 200,000 square feet of office space together with shops, a small hotel, restaurant and bar.

Happy ending

Introducing details of the project at a Press conference in Edinburgh yesterday, Mr. Henry Clayton, head of Dairy Developments, and who is also chairman of Alexanders Holdings, the garage owners and motor car distributors, said a ten-year tale of extreme difficulties and frustrations was "finishing as all good stories do—happily."

It had not been an easy scheme to get off the ground. Most of the problems and delays had been because the costs of various proposals rendered the end-product uneconomic.

Architects are Miller and Block, of Glasgow, with construction by the Scottish subsidiary of G. E. Wallis and Sons, which also has a small financial interest in the project. The bulk of the finance will be provided by the Norwich Union group.

Rockware switches to liquid petroleum gas

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

IRVINE, AYRSHIRE, July 27.

ROCKWARE GLASS, a leading glass container manufacturer, to-day claimed to be the first company in the world to use liquid petroleum gas to melt glass. Its £60,000 furnaces development here is already being watched with interest by other glassmakers, and promises important technological advances.

So far, although the conversion of three furnaces from producer-gas to butane was completed only recently, Rockware has halved the Irvine plant's fuel cost, which represents about 15 per cent. of total material charges. It has also enabled the group to increase production by 20 per cent. Quality improvements are claimed through using a cleaner fuel.

Savings

The cost savings which the group is getting are significant. There was a clear hint from Mr. James Craigie, the group's managing director here, that it is prepared to sign the Confederation of British Industry undertaking not to raise prices by more than 5 per cent. over the next 12 months.

If this promise is given by the whole of the U.K. glass container industry, as seems likely, it has important implications for negotiations which have started on a national claim for a 14 per cent. pay increase by manual workers.

The cost-saving element of Rockware's move to LPG at this relatively small plant is only one feature of the development. In essence, Irvine has become a proving ground at three levels.

Rockware is clearly showing that LPG can be an important competitor for oil and natural gas in glass-making, where supply sources are conveniently placed.

The company is also using modernised plant here to train workers in preparation for a move to a new plant, costing over £6m. at current prices, and which is four miles from here. The factory would employ 1,000 workers, 550 more than at present, and make the group less reliant on imports of glass containers for the Scottish whisky market from plants in England. This investment will go ahead when the economic climate is judged to be right.

The Irvine development is an important test for BOC Fuel Gas Services, formed as part of the British Oxygen Company's diversification programme. This company installed the butane plant at Irvine.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RESEARCH

Testing the durability of paint

WEATHERING tests on paints are now running at the rate of about 4,000 per month at ICI Paints Division's Stowmarket plant.

This high throughput, resulting in a total of between 32,000 and 34,000 samples being subjected to long-term weathering tests at any one time, is dictated largely by the ever-changing demands of car manufacturers. It has become commonplace for model changes to be accompanied by an entirely new range of colours.

Decisions on the colours must be taken long before the model is to be introduced. Minimum time for establishing the durability of a paint is, according to Mr. Cyril Hall, chief chemist at Stowmarket, two years, by which time any weaknesses in the formulation should have shown up.

Samples are mounted on racks on a 2.5-acre testing site near the plant, and they are also tested concurrently at other locations in Britain, including Trafford Park, near Manchester, to assess the effect of an industrial atmosphere on the finish. Panels are also exposed throughout the world in Australia, India, South Africa, Trinidad, Canada, Malaya and Portugal.

Corroboration

Accelerated testing is also carried out in the laboratory, but Mr. Hall says that this is more a corroborative procedure, useful for eliminating weaknesses, rather than a final assessment of paints because of the difficulty of extrapolating from short-term results to extended field conditions.

Procedures for testing are worked out in conjunction with the end user if he is a large customer, and special paints, those to be used by the Services, are subjected to weathering-in, for example, a brine spray or in a chamber whose air is saturated with water.

All paints in the company's range, including normal domestic emulsions, are continuously evaluated after they have been put on the market. Quite apart from its usefulness in tracking down faults in paint films that may show only after many years, this procedure has enabled the company to establish a bank of information on the behaviour of many thousands of pigment/vehicle combinations on a variety of substrates.

With this information, said Mr. Hall, it is possible to predict, with a limited degree of certainty, the performance of an entirely new formulation.

A corollary activity to the testing is a data bank on every type and tint of paint ever made by the division. When a new paint is specified, generally by way of a sample panel, the first step is to find whether it matches an existing sample.

This matching process is extremely delicate, since the phenomenon known as metamerism, where colours change under different lighting conditions, must be allowed for. This is also a problem with paint matching for vehicle refinishing, the formulation of these paints being stored in a separate data store.

Thus a demand for a paint for a particular model can be met by a formulation from a series of standard tints and vehicles that can be mixed either by ICI or by the customer himself.

Apart from its function as a test centre, Stowmarket manufactures almost half of the division's total gallonage of paint, mainly in the specialised and industrial finishes rather than high-volume domestic paints.

At present, output is almost 10m. gallons per year, spread among 7,000 products. Next year a new plant, reckoned to be the most highly machanised batch plant in Europe, will come on stream.

ANDY McELROY

● CONSTRUCTION

London Bridge is heating up

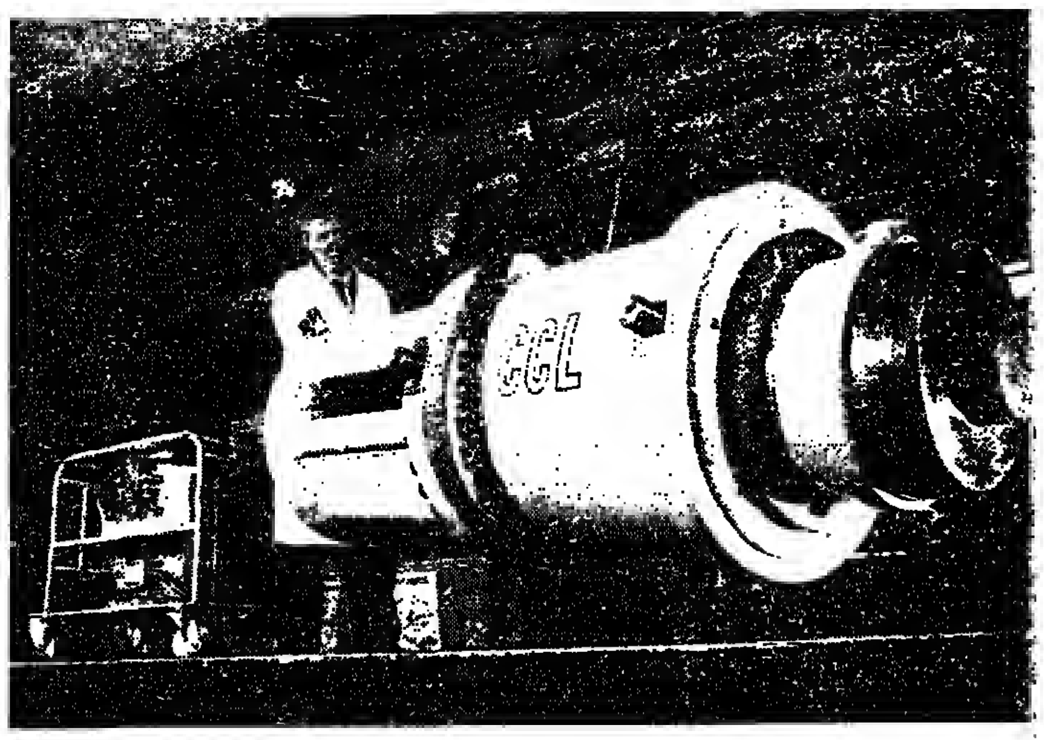
A TOTAL electrical heating load approaching 1½ MW is to be applied to the surface of the new London Bridge during cold spells to prevent it being closed by ice or snow.

Both road surface and pavement are to be heated along their entire 860 feet length using mineral insulated heating cable supplied by British Insulated Callender's Cables, which says that the pavement installation will be the largest of its kind.

The M.I. road-heating cables are being prefabricated by BICC's Mineral Insulated Cables Division, Prescot, in some 480 individual units. These vary in loading between 1.82kW and 4.03kW. Each unit comprises heating cable, cold tails and joints with an overall covering of PVC.

The heating cables are laid manually direct on to the concrete bridge deck and covered with a layer of sand asphalt, followed by the final finish. The cold tails are led through apertures in the deck and into a large service duct beneath the deck to the distribution boards which in turn are fed from the switch-room.

In addition, the company is supplying quantities of M.I. thermocouples which will be used for experimental monitoring of actual temperatures.



The first of a number of extremely powerful prestressing jacks starts a 75-mile journey from one of CCL Systems' factories in Leeds. These jacks will play a major part in ensuring the great strength and high safety factor for the two 20-feet-thick cylindrical concrete pressure vessels containing the reactors for the 1¼m.-kW nuclear power station now being built at Hartlepool.
The 1,000-ton capacity jacks will be used to apply a total prestressing force of 210,000 tons to each reactor vessel through vertical prestressing tendons, each made up of 28 0.7-inch diameter strands, a system developed by CCL.
The work is being carried out by Taylor Woodrow Construction, the civil engineering member of British Nuclear Design and Construction, main contractor to the Central Electricity Generating Board for the advance gas-cooled reactor plant. Last week CCL received a £150,000 order from Taylor Woodrow for equipment and anchorages for the Heysham nuclear power station.

● METALWORKING

Recovering welding flux

A METHOD of providing an efficient continuous supply of welding flux and removal of excess flux and slag, for use with automatic submerged arc welding machines, has been developed by Industrial Fan and Heater Company of Evelyn Road, Birmingham 11.

The flux is initially tipped into a floor level hopper from where it is conveyed pneumatically to an overhead storage hopper at a suitable working rate. It is then gravity fed to the welding electrode by a flexible tube. The flux feed nozzle and electrode are located in a device which permits recovery of the majority of the unused flux, the remaining flux and slag falling into the combined recovery and feed hopper at floor level.

Recovered flux and new flux pass through a vibratory screen to remove slag particles before passing into the overhead storage hopper and on to the welding head. The screened out slag is returned to the ground level feed hopper through another screen which passes only any remaining flux into the hopper and finally rejects slag to a collection bin.

A fan operates the totally enclosed system which is operated under negative pressure to eliminate dust leakage, and the air is cleaned before discharge to atmosphere.

Warning lights and alarms actuated from a probe in the upper flux hopper indicate the need to feed in more flux, and welding can be automatically stopped if the flux level gets too low.

Nozzles are kept clean

WELDING TORCH nozzles, used in semi-automatic production runs in the metal fabricating, automotive, and general engineering industries, can be given effective and economical protection from welding wire "spatter," it is claimed with an odourless paste, developed in Canada, and now being marketed in the U.K.

Hot nozzles are dipped in the compound, called Zip Clean, two to three times in any eight hour production period. According to its makers, Progressive International Manufacturing of London, Ontario, the paste helps to prevent "spatter" sticking to nozzles, chucks and tips. The compound will not clog threads nor attract dirt or dust, it is stated.

The compound is available in 8 ounce tins costing 98p and is being supplied through Oliver Plunkett and Co., 49-53 Kensington High Street, London, W.8.

● PRODUCTS

Small scale telemetry

A 50 BAUD 24 channel telemetry equipment with each channel able to carry up to 192 bits per minute has been introduced by Sangamo Controls of North Bersted, Bognor Regis, Sussex.

The equipment is suitable for remote measurement and control in the industrial, water, gas, electrical, petro-chemical and sewage fields, and Sangamo says it is aiming at the "lower end of the market" since it feels that this is a somewhat neglected area.

The company also believes that by keeping costs down it will make the introduction of labour-saving telemetry techniques possible in fields where this has previously not been feasible. Sangamo is also able to offer a range of ancillary devices for use in telemetry.

Powerful pumps

A RANGE of American-made air-operated double - diaphragm pumps, designed to handle up to 90 per cent. solids to heads of 220 feet with suction lifts to 20 feet is now being marketed in the U.K. by Rowlen and Co., of York House, Empire Way, Wembley Middlesex HA9 OPF.

Known as the Wilden range, the pumps can be used in submersible, self-priming or permanently piped installations. They are available with bodies in aluminium, cast iron, stainless steel or epoxy coated materials, making them suitable for numerous industrial and marine applications.

A feature claimed for this range of pumps is the single-piece piston air valve which supplies compressed air to two diaphragms which in turn give motion directly to the fluid. This, it is stated, removes the mechanical load from the diaphragms, enabling high heads to be obtained.

Register helps firms form professional consortia

A service aimed at helping design firms in the construction industry which wish to form multi-professional consortia is now being offered by a firm of management consultants called Miller Associates.

Taking the form of a confidential register, the service, which has been available for a couple of months, has already attracted a degree of interest from about half a dozen firms, according to Mr. Robin Miller, the principal.

Mr. Miller, a qualified civil and municipal engineer who undertook a research project at the Manchester Institute of Technology into the organisational problems facing smaller firms of consulting engineers, has for the past 18 months been offering a specialist service to design groups in the industry.

While maintaining that there is obviously room for both large national firms and small local firms, he feels that a certain amount of rationalisation is inevitable.

There are something like 500 firms of consulting engineers and around 3,600 architectural practices in the U.K. at present. Some firms are not sufficiently management orientated, and many lack commercial expertise.

Firms interested in a consortium link are asked by Miller Associates to fill in two forms. The first contains general information to help sort out compatible practices with common interests and requirements.

The second contains more detailed information as well as the name of the interested party. Where two firms have compatible interests, Miller Associates carry out initial enquiries, and should permission be granted by both parties, names are exchanged.

In that event, the second fo[…] are exchanged between the fi[…] involved. Quantity survey[…] are also brought in where ap[…] priate.

Multi-disciplinary conso[…] can provide a comprehens[…] service to clients, while at […] same time as improving the […] fessionals' competitive posit[…] they can save the client hav[…] to negotiate with large numb[…] of firms.

A separate register has […] been set up to help professi[…] practices merge, acquire ot[…] firms, or sell.

MARTIN ROU[…]

● SECURITY

Protecting Harriers from fire

FLAME detector units recently installed in hangars at Hawker Siddeley Aviation's Dunsfold aerodrome depend on special lead sulphide cells to detect infra-red radiation from any possible fire source.

Flight testing of Harrier aircraft for the RAF and United States Marine Corps is carried out from the aerodrome, which has just been equipped with a fire alarm system designed and installed by Shorrock Security Systems, another Hawker Siddeley company.

The system is monitored from a console located in a newly built fire station on the airfield. It provides coverage of hangars and offices by means of the lead sulphide cells, which transmit an electrical signal when activated by infra-red radiation.

Should a steady signal be received, as for example from an electric fire or a high frequency signal from an AC mains-operated tungsten or fluorescent lamp, the alarm system will not respond.

But signals that flicker at the frequency of a flame will cause an alarm condition, whereby an alarm relay is actuated indicating on the control console which detector is affected.

● DATA PROCESSING

System 7 gets discs

EXPANSION of the data storage capacity of the IBM System/7 is announced. A new disc which can store a user's programs and data, expands storage capacity and flexibility of System/7, extending the range of applications. For example, when System/7 operates with a "host" computer as part of a distributed system, the disc can be used to store large volumes of data for subsequent transmission. Or a user of a stand-alone System/7 can store programs as well as information on the disc.

It may also be used as the initial program load and automatic system re-start device.

Either a single fixed disc or a fixed disc and an optional removable disc cartridge on a single drive can be applied. The unit is housed in a sliding cabinet within a System/7. Storage capacity is either 1.23m. or 2.46m. 16-bit words.

● TRANSPORT

Wide body without pillars

WHAT is believed to be one of the largest pillarless vans constructed in the U.K. has entered service and is now being used on long-distance journeys, initially carrying Smiths potato crisps and other snack products.

Based on an Albion Chieftain Super Six 12-ton gross chassis of 19 feet six inches wheelbase, the van measures 36 feet by eight feet two and a half inches overall and provides a payload volume of 2,400 cubic feet.

The body built by H. Tidd and Sons, Scarborough Road, London, N.4., has an inside width of over eight feet. Sides, front, and both rear doors are all single panels of reinforced plastics-faced plywood, colour-impregnated white, while the roof is a one-piece translucent sheet of resin-bonded glass fibre, supported by roof "sticks" bonded into the material.

Internal floor length of the van is 29 feet six inches and the interior height is nine feet two inches down the middle. A clear loading width of eight feet is provided at the rear doorway when the cam-locked doors are swung back parallel with the body sides. Space inside the Luton head over the cab is used for stowing loose cartons.

Unladen, the van weighs five tons 18 cwt. It is plated for a gross vehicle weight of 11½ tons.

● HEATING

Experiments in heating

A SERIES of small-scale UHT (ultra high temperature heating) plants has been developed to facilitate experimental work by customers on new products and is particularly applicable to the food industry where there is much interest in producing high quality aseptically packed foods.

Junior UHT plants are versatile, economical units built from standard items of APV equipment to meet customer requirements. They are self-contained, being mounted on baseplates and complete with all interconnecting pipework. Installation is simple, requiring only connection to water, steam and electricity services.

The processed product is suitable for aseptic packaging in either paper cartons, plastic packages or cans. If required, a small aseptic storage tank can be included in the plant.

Junior UHT plants are based on the use of the APV Junior Paraflow plate heat exchanger and a steam injection system.

APV is at Crawley, Sussex.

● HYDRAULICS

Compact baling press

RUBBISH can be reduced to compressed, compact bales measuring 30 x 24 x 18 inches using a compact baling press now being offered by Northfield (Oldham) of Neville Street, Oldham, Lancashire.

A hydraulically operated unit, it is capable of handling low-volume waste such as paper, rags, plastics, and leather scraps as well as bulky packaging refuse. Designed for easy location at the most convenient spot, the equipment has base dimensions of only 1 foot 10 inches by 3 feet 3 inches and is 7 feet 6 inches high. The hydraulic system is completely self-contained and can, says the company, be easily removed for maintenance or replacement when necessary.

The three inch ram provides about five tons thrust, has a run-down speed of about 72 inches per minute and is pushbutton controlled.

Hydraulic power

ELECTRO - hydraulic power packs, producing up to 50 hp, have been introduced by Tungum Hydraulics, of Arle, Cheltenham, Glos.

There are five basic models—15, 20, 30, 40 and 50 hp—with flow rates of 9.4, 12, 18, 25 and 30 gpm. Nominal maximum operating pressure is 2,000 psi although, like the flow rate, this can be increased to meet specific requirements, up to 5,000 psi intermittent.

Tanks of up to 100 gallons capacity are available, this size normally being fitted to the 50 hp unit, and there is provision for operation by a variety of different fluids, including those for use in hazardous areas.

London Transport to seek fares rise

BY JOHN HUNT

LONDON TRANSPORT intends to ask the Greater London Council for permission to increase bus and underground fares by between 8 per cent. and 10 per cent. as from next January.

If the GLC grants the request it would be a blow to the 5 per cent. ceiling on price rises which the Confederation of British Industry is negotiating with industry.

The demand for a fares increase poses a dilemma for the Conservative *majority* on the GLC. To agree to such a move would be contrary to the Government's campaign to hold down prices.

8 to 10 per cent.

Last night London Transport and the GLC were saying that no request for a fares increase had yet been made. However, it is understood that Conservative leaders on the GLC are now aware that London Transport will put in an application in the autumn asking for 8 to 10 per cent.

Unlike British Rail, which is discussing the possibility of keeping its fare increases down to 5 per cent., London Transport is not a nationalised undertaking. It is answerable solely to the GLC.

The capital debt of London Transport was written off when the GLC took over at the beginning of last year. At the same time, the GLC laid down stringent guidelines concerning profitability.

These state that London Transport must make a surplus of £4.m to put into general reserve during *1970 and 1971. Last year a surplus* of £3.7m. was achieved, and London Transport see no difficulty in meeting the £4m. target.

Sir Richard Way, LT chairman, promised last month that there would be no general fare rise this year. But it has been widely accepted that an application for an increase would be put in by early 1972.

An increase of 10 per cent. would bring in extra revenue of over £11m. annually, and an 8 per cent. increase would result in a revenue rise of over £9m.

There is always the possibility that the Government would intervene to ask the GLC to keep fares down. In that case the council would be likely to ask for a Government subsidy for London Transport. The GLC's own general policy is strongly against any form of transport subsidy from the ratepayers.

The application for an increase would first have to be considered by the Policy and Resources Committe of the GLC before going before the full council.

Council support for bus services urged

BY ARTHUR SMITH

LOCAL AUTHORITIES are being urged by the Government to support rural bus services where necessary and to examine all possible ways of promoting the wider use of the motor-car in thinly populated areas.

Mr. John Peyton, Minister for Transport Industries, in a written Commons reply yesterday said the Government would contribute "a substantial part of the local authorities' expenditure." Together with the Secretaries of State for Scotland and Wales he would "consider means of helping as appropriate."

Proposals for revising the licensing system aimed particularly at helping rural areas would be announced shortly, Mr. Peyton said.

A Government circular suggesting various means of tackling transport problems in rural areas has been sent to local authorities following publication yesterday of *two pilot studies* into bus requirements.

The studies were carried out in Devon and West Suffolk by groups of local representatives under the chairmanship of officials of the Department of the Environment.

The circular says the two studies produced similar results and brought out four main points:

(1) Buses still had a role in *rural areas, but only a limited* one. Unprofitable services would need local authority support under the rural bus grant scheme.

(2) It should be possible to devise ways of using available cars to meet the often irregular needs of people without transport.

(3) There was scope for the greater use of mini-buses but little for dual use of postal vans as passenger vehicles.

(4) Local authorities had a vitally important role to play.

The Government suggests that county councils could appoint a senior officer with special responsibility for examining and co-ordinating transport services throughout the area.

The circular points to "self help" as the means to help elderly people, housewives and the young in areas that do not justify a bus service.

There would be sufficient cars available "given a measure of good neighbourliness." A clearing-house system might be helpful to bring those willing to offer *lifts* into contact with those who needed them, the circular suggests.

The circular mentions ways in which "a modest injection of finance could have a major effect—for example, the use of tokens may be helpful in assisting elderly people to pay for their transport."

The Rural District Councils' Association said the conclusions set out in the *circular*, while important, were based on studies of two areas where bus services were already of little use. "We hope we do not reach this critical situation in other parts of the country. We feel that bus services are an essential service and support the payment of grants by local authorities."

The Passenger Vehicle Operators' Association welcomed properly organised schemes to allow cars to fill the gaps in public transport, "but, if there is a free-for-all, a considerable section of the public will suffer," a spokesman said.

A network of bus services should be retained and people taken to the buses by car. The right balance could be found by county co-ordinating officers under the general control of Traffic Commissioners.

Abu Dhabi State oil plan

BY RICHARD JOHNS

THE ABU DHABI Government has prepared a draft law establishing a State oil corporation along the lines of those set up by other *producing* States.

In a statement yesterday Mr. Mane al Oteiba, Minister of Petroleum and Industry, said that the company would play an important role in developing a public sector in the petroleum and petrochemical industries. The legislation apparently allows for joint participation in projects by private interests.

Consultants are now *studying* for Abu Dhabi plans for sulphur recovery from associated oilfield gas and petrochemical projects. For the latter, likely products would be polyvinyl chloride, caustic soda and dycalcium phosphate (with the ore being imported from Jordan), according to research by the French concern, Compadec-Power Gas.

At the same time, Dubai is considering building an aluminium plant. A Dubai contracting company called Al Ghuwair has been asked to open negotiations with the British consultants, Gibb Ewbank, on the feasibility of a $200m. plant producing *200,000* tons a *year. The* prospective site is the island of Sir Bani Yas.

TUC fights charges for jobs services

BY ELSBETH GANGUIN

THE TUC is seeking a meeting with Mr. Robert Carr, Secretary for Employment, to express its strong opposition to the introduction of any charge for employment services, it was stated last night.

The DE sent letters to the TUC and the CBI a couple of months ago, pointing out that if charges were to be levied to employers—it was always stressed that no charges were contemplated for individuals — particularly for assistance in filling vacancies in the professional and executive field, a decision had to be taken *in time* to *revoke* two International Labour Organisation conventions. This can only be done at certain intervals.

These two conventions, ratified by Britain, *are numbers* 88 and 2, and they refer to the provision of a free service to employers and workers, and to the setting up of free public employment agencies under the control of a central authority.

There are some doubts that making charges to employers would be regarded as a default anyway. Certain training services, like Training-within-Industry, provided by the DE, are already chargeable.

Apart from referring to the ILO conventions, the TUC also believes that the introduction of charges would be unlikely to encourage the expansion of the public employment services, which it wants to see taking place.

Whether to make charges is likely to be part of the whole employment services, training and other manpower policy "blueprint" which should emerge later this year, following a thorough investigation within the Department.

As part of the consultative process which is still going on, a question paper has been sent to the Central Training Council, raising the possibility of a national manpower body of one kind or another, which could take in both training and the employment services.

However, it is strongly emphasised that no decisions have been taken, and that no definite *plan exists at the moment.*

Insurance union to ballot on Pru pay offer

THE NATIONAL Union of *Insurance* Workers is to ballot its 11,000 agents employed by Prudential Assurance to see whether a revised pay offer is acceptable to them.

Industrial action, in the form of a ban on accepting new work, was called off earlier this month when the company agreed to reopen pay talks on the agents' £5-a-week claim.

The offer going to ballot is for an increase of £2 a week, a 10 per cent. increase in expenses and a guaranteed earnings scheme. However, *it is conditional upon* a phased reduction of 750 jobs and a 12-month pay standstill.

SPORT: CRICKET ... TENNIS

Rain rescues India as England grasp for victory

BY TREVOR BAILEY

LORDS, July 27.

ALTHOUGH rain almost certainly prevented England winning the first Test, a draw was probably the fairest result as in many respects India had shown themselves the better side.

England's was a disappointing performance, the batting of their top five contained far too many failures, only one reached 50, and on this particular wicket, four seamers were not needed. Their two spinners were not as formidable as the Indian trio but nevertheless I cannot help believing that England, despite the interruption by the weather, would have won well within the distance if Underwood had been there to exploit the conditions.

The final day began with England 145—5, 136 runs ahead. Clearly they needed to score quickly and Knott's start suggested that runs might well flow but he lost his wicket somewhat unluckily. He pulled a long hop from Chandrasekhar which hit the close forward short leg and the ball rebounded to Wadekar who, showing remarkably quick reactions, managed to scoop it up close to the ground. At the same score of 153, Chandra comprehensively yorked Hutton for nought and England, from a position of strength, were suddenly in real danger of losing the match.

Snow joined Illingworth who, as always, fought hard and this pair managed to stave off further disaster until the former was caught on the boundary at 174. The England captain and Gifford then managed to exist with considerable difficulty and not a little luck for 45 minutes before Illingworth fell into the Venkat leg-trap for a valuable 20. Price was another Venkat victim and England were all out for a disappointing 191, which left India to make 183 to win in four hours 20 minutes.

All credit to the three Indian spinners for the way they used the worn pitch. The most impressive was Bedi who kept everybody quiet, was always threatening and gave a classic exhibition of top-class slow left-arm bowling. Venkat was admirably tidy and often spun his off-breaks viciously, while Chandra, the less accurate, did occasionally beat everything.

The Indian opening batsmen failed to provide the solid base they desired as Snow, bowling with real fire, had Mankad caught behind for five and Price, although noticeably less hostile, removed Wadekar when his intended hook was caught by Boycott.

Sensibly Engineer was promoted and immediately launched a positive counter-attack which transformed the whole situation so that at lunch India had reached 47—2.

The afternoon began with a blaze of strokes from Engineer and Gavaskar as they threatened to race home at a gallop. Illingworth's tactics were somewhat odd at this stage because, though the senior slow bowler, he did not bowl himself on a pitch clearly sympathetic to spin until 80 had been scored.

Engineer's beautifully timed, attacking innings ended at 57 when he found himself stranded yards down the pitch after hitting a sparkling 35. Fourteen runs later Viswanath became Gifford's second victim and India were 101—4 with the result again wide open. Fortunately for them, Gavaskar continued to bat with a technique which clearly indicated that he is an outstanding player with a fine future. Nothing was more commendable than the way he refused to allow the English bowlers to dominate.

At 108 he lost the experienced Sardesai, *cutting against* the spin of Illingworth, but he went on to complete a delightful half-century. This splendid innings ended when he received a horrid delivery *from* Gifford which turned and popped. He was unable to take evasive action and gave an easy chance in the gully. His dismissal meant that England were plainly on top.

Abid Ali and Venkat tried to hit their way to victory while Solkar, showing the straightest of bats, was in considerably less trouble against the wiles of Gifford and Illingworth than most of his colleagues. The calculated assault did not achieve the desired result and it came as no surprise when both Abid Ali and later Venkat holed out going for their shots.

This made India 142-8 and by tea they had increased this by three runs but still required 38 to win with Solkar and Bedi together and only Chandra to come. In consequence an English victory after the interval, if not a certainty, was at least a *strong* probability. It was at this juncture that rain came to the rescue of India and no further play was possible.

Meanwhile there are likely to be several changes for the *next* Test at Old Trafford, Manchester. Price and Amiss are unlikely to be retained while Hutton, Luckhurst and Gifford could conceivably be casualties.

FINAL SCORES

England 304 and 191; India 313 and 145 for 8.

Valuable training ground for new tennis talent

BY JOHN BARRETT

THE POST-WIMBLEDON period is always the time when domestic events achieve prominence. For two weeks some of the international stars remain in Britain to add lustre to such events as the Green Shield Welsh Open and the Rothmans Hoylake Tournament. Thereafter the *emphasis* shifts to the enormously popular but entirely amateur holiday tournaments like Framlingham, Llanelli and Budleigh Salterton in August.

In between, regional *rivalries* come to the fore in that most British of tennis institutions "County Week." Last week again the 48 eligible counties of England, Scotland and Wales met to contest the County Championships on grass — a nation-wide doubles event played at 15 centres and involving no fewer than 576 players of both sexes. This competition is at the very heart of the British game and has always been a valuable training ground for the best of the nation's young *talent*. All our past Davis and Wightman Cup players have come up through county competitions where they have learned to win against the odds.

This year was no exception. In the championship group at Eastbourne, the Surrey teams again did the double by extending their unbeaten runs to a third year for the men and a fourth for the ladies and they were well served by their younger players. John de Mendoza, the national under-21 champion, and Ken Weatherley, who were regular partners together at Cambridge University, formed an admirably solid second pair and lost only once. The Surrey leaders, John *Crump, in* his late twenties, and John Paish, at 23 already a member of the Davis Cup team, continued their remarkably successful partnership which was last brought down in the final match of the 1969 competition—a unique and admirable record. So strong indeed is the full Surrey team that the national junior champion Michael Collins was able to play on only one day.

The greatest success of the week though was had by the Essex men's team. They began the week with thoughts of relegation in the absence of two of their best players—David Lloyd, who is recovering from a cartilege operation, and Stephen Warboys, who was away on Galea Cup duty. After a tremendous team effort they eventually finished second to Surrey with their second pair Robin Drysdale and John Marnoch, both under 20, having won 12 of the 15 rubbers played. Their efforts were ably supported by the experienced Humphrey Truman who formed a valuable first pair with the national under-16 champion John Lloyd—another youngster who performed with great credit.

The resurgence of the Middlesex ladies team too, was largely due to the fine performances of their younger players—admirably led by the former Wightman Cup player Shirley Brasher. She teamed with 17-year-old Glynis Coles, the national junior covered court champion, to win all but one of her rubbers, and with Lindsey Beaven and Marilyn Greenwood in the second pair took Middlesex to within an ace of the championships.

Such are the intricacies of the scoring system at county week that three counties stood a chance of winning on the last day. Ironically Surrey, who had suffered only one loss—to Middlesex—were made secure only by the stout Middlesex resistance against Devonshire who were thus denied sufficient rubbers to gain their first ever championship.

This week and next at Eastbourne the leading juniors show their paces at the two events sponsored by the Green Shield Trading Stamp Company—the national under-18 championships on grass and the national invitational under-14 and under-16 championships. This is the second year of the under-18 event which will surely grow in stature to rival junior Wimbledon as the chief indicator of junior form—a natural process in a grass-court country.

The boys' field this week is the strongest possible with the welcome appearance of 17-year-old Stephen Warboys as the No. 1 seed opposed at the bottom of the draw by Christopher Mottram, the brightest 16-year-old I can ever remember. Warboys has been consistently shielded from junior events by his father who mistakenly believed that the lessons of temperament learned through competitions against one's contemporaries were unnecessary. This attitude has led to one or two disappointing losses in representative junior finals and leads one to believe that there may be a chink in an otherwise splendid armoury. Mark Farrell, the burly 18-year-old *Lancastrian*, a prospective semi-final opponent might be just the boy to exploit it.

The girls' field is headed by the same Glynis Coles whose exploits for Middlesex have already been noted. Her anticipated final round clash, according to the seeding committee, will be against the winner of last year's junior Wimbledon title 16-year-old Nuala Dwyer of Devon. However, both Lindsay Blachford of Essex and Frances Candy of Sussex are capable of beating her on a grass court and will doubtless be anxious to prove that their respective seeding positions of 3 and 6 are lower than they should be.

In the fullness of a player's career success in junior events is relatively unimportant. Some develop later than others. What does matter is that there should be properly graded age-group events at the national level to allow the best youngsters to test themselves against their contemporaries and learn how to win in a highly competitive environment. At last in Britain we have got such a programme and ultimately we can expect the rewards to be higher senior standards.

'Action' threat over printers' pay

THE "first suggestion of possible *industrial action*" by printing unions in support of their 10 per cent. pay claim for members on national newspapers, came yesterday from NATSOPA.

To date, the Newspaper Publishers Association has offered 75p a week plus consolidation of a £1.10 a week cost-of-living bonus into basic rates. Because of the poor financial state of the industry, the employers are seeking economies to help finance the offer which it is estimated would add £3m. to the annual wage bill.

In the latest edition of its journal, published yesterday, NATSOPA complains of wage claims being stalled on all fronts. Although it was not anxious to embark upon *industrial* action, it looked as if as the year went on "matters will have to be forced to an issue by unified action, of *the unions* of an industrial character."

DOVER TRAFFIC RECORDS

On the first week-end of the summer school holidays, the number of people leaving the country for a Continental motoring holiday set new traffic records for Port of Dover.

Last Saturday, 7,508 motorists crossed to France or Belgium from Dover, making a total of 10,908 inwards and outwards for the day.

For the week-end there were 29,006 cars passing through the port, *representing* a 1.6 per cent. rise above 1970. The number of passengers was 98,394 (101,383).

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STEEL AND THE COMMON MARKET

How BSC sees its future in Europe

By DAVID WATERSTONE, Director of International Affairs, British Steel Corporation

OVER THE past few weeks a great deal bas been written and said ahout tbe possible effects on the British steel induatry, and the British Steel Corporation in particular, nf entry to the Common Market. Tbe dehate has tended to take place within the context of natlonal politics and economics—and this is perfectly understandable. But what must not he forgotten is that technological and economic imperatives are forcing national steel industries to take an increasingly international view of their own development.

Few people realise the extent to which this process has already been carried in the BSC. For example, the Corporation has 21 operating subsidiarles in ten countries valued at aome £60m. It imports almost 20m. tons of ore from all parts of the world and exports over 3m. tons of steel, valued at over £200m. In support, the Corporation has 50 shipa on charter.

The future health of the Corporation depends on the continued expansion of these operationa. In the first place, BSC expects that growth of the world market in ateel (conaumption roughly doubles every 15 years) may require capacity of 35m. tons a year in 1975, which could possibly rise to 40m. in 1980 or snon afterwards. This growth must he associated with a further increase in all the Corporation's activities abroad.

Furthermore, for technological reasons, there is likely to he an enormons increase in the size of existing plant: for example, the current annual rate of productivity ln many existing plants is about 110 tons of steel per man; it is estimated that this could be raised to about 700 tons per man on a "greenfield" plant of about 13m. tons capacity. But the cosls involved in building plant of this slze are enormous—presently around £1,000m.—and may well prove to require the formation of international consortia to tackle the job.

Development

In the dehate on entry, it bas often been said that the rules of the European Coal and Steel Community might operate in such a way as to inhibit the development of the BSC aloog the lines suggested above. Moat fundamentally, it has been alleged that the EEC Commission has ambltions to split the Corporation up into smaller units. This la qulte simply untrue. In the negotiations the Community made it perfectly clear that they accepted the facts of the size and ownership of BSC.

But the queation arises as to the future development of the Corporation. First, it has been said that internal development would be subject to control by the Commission; secondly, that expansion through merger or acquisition could he blocked; thirdly, that the working of the price system could distort the geographical distribution of investment to the detriment of the regions.

In judging the effect of powers which the Commission undoubtedly possesses in these respects it is necessary to consider how they have developed in practice in the life of the Community. On the first point the fact is that the Commission's direct powers ln relation to investment are extremely limited. Individual development schemes have to be vetted but the Commission has no power to withhold consent. However, they may give a contrary oplnion which can make it difficult to obtain finance for the acheme and, if they find a project is heing unfairly subsidised, they may forhid recourse to outside finance. In practice, the Commission has uaed these relatively weak powers to guide the development of the industry on sound lines, for example by discouraging the excessive expanaion of electric furnace capacity at a time of shortage of acrap.

On the second point concerning mergers and acquisitlons, the Commisslon's guidelinea published in February, 1970, suggested that, while projects creating groups having a share less than 12-13 per cent. of Community crude steel production would be automatically approved, projects involving larger units would be looked at more carefully.

This would seem to imply that outright mergers between the BSC, which will account for about 18 per cent. of the enlarged Community's crude steel production, and other major steel producers would be ruled out. However, the Corporation's interest is likely to lle in the direction of co-operative projecta which will lead to a greater degree of specialisation and technological advance.

Both the Commission's guidelines and their record (for example in the development of the German industry) show that they are prepared to apply the rules pragmatically. It is also worth noting that the existing development plans of European producers (for example at Dunkirk and Fos in France, Taranto in Italy) are already tending to reduce the present disparity between the size of BSC and its European competitors.

As for the price system, it has to be admitted that there are certain technical problems to be nvercome mainly owing to the fact that the rules were devised at a time when corporations of the size and structure of the BSC did not exist and when the market enjoyed boom conditions. However, as in other respects, the Community has adapted itself to the changing needs of industry.

The Italian state steel corporation, Finsider, whose plants, like BSC's, are spread out over a considerable area, bas had no difficulty in living and expanding (120 per cent. in the past 10 years) within Community rules. There is no reason to suppnse the BSC shnuld not do so too. Nor is there any particular reason to expect that the question of the siting of new plant will nnt continue to be dominated by the straightforward commercial calculation of balancing the cost of bringing raw materials to it against the cost of transporting finished producls away. The results of this calculation by no means always leads to the apparently obvious conclusion that plant should be sited as near the market as possible.

Competition

If, therefore, entry to the Community seems to bring with it no significant obstacles to the development of BSC, what advantages will it bring? Given the fact that total world consumption of steel is expanding rapidly, it is fair to ask whether BSC could not flourish just as well outside the Community as in it. The answer must almost certainly he "No." If it remains outside, it will have to face alnne the full rigours of Japanese competition and the growth nf protectionist sentiment in the U.S., while at the same time having to overcome tariff barriers into the European market.

It would also he fully exposed to the sharp cyclical fluctuations which afflict the internati steel market in particular. side the Common Market, ever, it would have the enorr advanlage of being a partne a community which will cor the greatest concentration steel productinn in the worl well as being the higgest tra unit in the world, with all means for the effective def of commercial interesta ag competition on the one and protectionism on the o

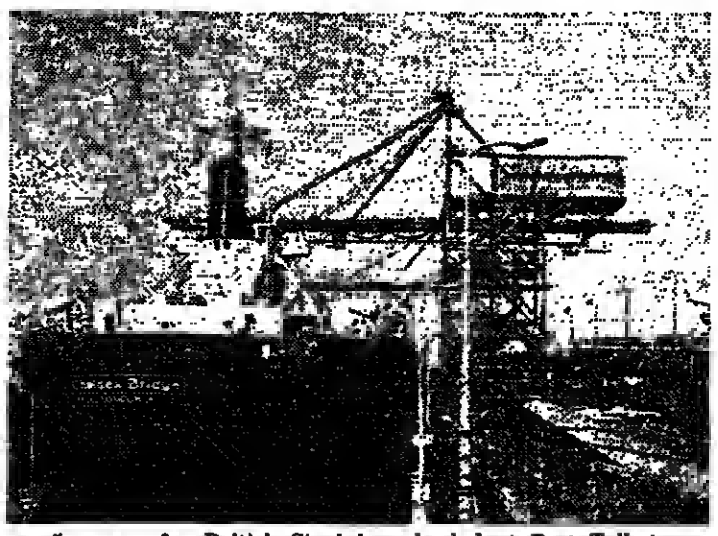
This is the framework w will make possible the dev ment of BSC's investment gramme. Furthermore, wi the Coal and Steel Comm it should benefit from the of rules and planning ins ments for fair competition which have been designed plicitly to overcome the w effects of cyclical fluctuatio

The corporation expects it, and even more, its custo in this country (who roughly 80 per cent. of pro tion) to benefit from acces the rapidly growing Commu market. In particular, it benefit from being able to a more flexible comme policies, particularly in the nf pricing, which should en it to take the fullest pos advantage of changes in ma conditions.

BSC has dnne its sums, ta all these factnrs inin acco and has come to the conclu that not nnly will it enjoy a siderahly enhanced market in Britain, hut will also rou double its world exports by in comparison with the r recent years' figures.

EUROPE'S TOP TEN STEELMAKERS (by output)

	1970 million metric tons
1) British Steel Corporation	25.60
2) August Thyssen Hutte (W. Ger.)	12.63
3) Finsider (Italy)	9.69
4) Wendel Sidelor (Fr.)	8.20
5) Usinor (Fr.)	8.01
6) Hoesch (W.G.)	6.83
7) Arbed (Lux.)	6.14
8) Cockerill-Ougrée-Providence (Belg.)	6.13
9) Hoogovens (Nthlnds.)	4.61
10) Krupp (W.G.)	4.19



Iron ore for British Steel is unloaded at Port Talbot.

Caledonian/BUA to serve Casablanca

BY RAY DAFTER

CALEDONIAN/BUA, Britain's "second force" air carrier, is to start a twice weekly service to Casablanca, Morocco, on Sunday.

The addition of Morocco means that the airline's scheduled operations will serve 24 countries. The Casablaoca service, to be operated with VC-10 jet airliners, will be introduced on the South American route.

Caledonian/BUA says it sees Morocco as a growing tourist country for British holidaymakers, stimulating both tourist and business traffic. Traffic rights have already been granted to permit the carriage of passengers and freight between London and Casablanca and Casablanca and Brazil and Chile.

The British and Argentine Governments are negotiating for the carriage of passengers between Casablanca and the Argentine.

By introducing Casablanca, Caledonian/BUA is replacing Las Palmas as a stopping point on the South American route. The airline points out, however, that Las Palmas will continue to be served either with terminating flighta or through flights to other scheduled destinations.

EXTEL IN DEAL WITH INFOREX

The Exchange Telegraph Co. (Extel) and Inforex, Inc., an American-based manufacturer of computer terminal and data processing equipment, have reached agreement in principle under which Extel will be appointed the exclusive distributor for Inforex key entry equipment in the U.K. and Ireland, and will provide sales and service support. This operation will be handled by Extel's data systems and engineering divisions.

The agreement is subject to Extel acquiring the Inforex related interests of Computer and Systems Engineering, the previous distributor.

Immigrant schoolchildren up 115,700 on 1966

THE NUMBER of immigrant children in State and primary schools ln England and Wales rose to 263,710 in 1970, compared with 148,000 in 1966. That was 3.3 per cent. of the total school population in 1970, according to a survey published yesterday hy the Department of Education.

Eventually, because of restrictions on new admissions to Britain, the number of immigrant children seeking admission to school "will fall," the report states.

But for sooie years to come, sizeable numbers of dependent children will continue to arrive. With immigrants' children horn here, this will probably keep the total number of immigrant children, or children of immigrants, at or above its present level.

The survey estimates that 0,000 15-year-old immigrants leave school each year out of a total of 700,000 school leavers, and that the proportion will rise to about 40,000 out of 800,000 ln 0 years.

Most immigrant children are found in schools in the Greater London and West Midlands areaa, with many in the South East, North West, East Midlands, Yorkshire and Humberside.

This explains why immigrant children in 1969 were to be found in only 9,907 of the 28,528 schools in England and Wales and why—in certain areas—the immigrant school population is far in excess of the national average of 3.2 per cent.

Freeman Fox and Partners' deal

FREEMAN, Fox, Wilbur Smith and Associates has been a firm owned jointly by Freeman, Fox and Partners, consulting engineers, of London, and Wilbur Smith and Associates of New Haven, Connecticut, U.S., carrying out transport planning, economics and traffic engineering work. By agreement, Freeman, Fox and Partners haa purchased Wilbur Smith and Associates' share and will continue all the activities of the firm, but will adopt the name of Freeman, Fox and Associates.

Wilbur Smith and Associates has established a aeparate office in London to provide professional services in the field of transport. The firms will continue to collaborate on projects of mutual interest.

To-day's Events

ARLIAMENTARY BUSINESS—

House of Commons: Motion relating to Industrial Relations Bill that the Lords endments should be completed in five tings on July 28 and 29 and August 2, 3 d 4.

House of Lords: Finance Bill, third reading: Medicines Bill and Hijacking Bill, mmittee and remaining stages: Code No. Cattle) of recommendations for the welfare of livestock; codes 2, 3 and 4 in spect of pigs, domestic fowls and turkeys: third day's debate and conclusion the Common Market.

MPANY MEETINGS—

KINS BROTHERS, Hinckley, 12. (Chairman, Mr. J. S. Atkins.)

B INDUSTRIES, 15, Marylebone Road, N.W., 12. (Chairman, Mr. R. S. Jukes.)

ECHAM GROUP, Royal Garden Hotel, W., 12. (Chairman, Sir Ronald Edwards.)

ITISH AND COMMONWEALTH SHIPPING, 14, St. Mary Axe, E.C., 12. Chairman, Sir Nicholas Cayzer.)

LEDONIA INVESTMENTS, 2, St. Mary Axe, E.C., 3. (Chairman, Sir Nicholas Cayzer.)

RD CLOTHING AND BELTING, Huddersfield, 12. (Chairman, Mr. G. W. M. Shea.)

ADBURNS HOLDINGS, Liverpool, 12.15. Chairman, Mr. D. C. Bamford.)

AMBERLAIN AND HILL, Walsall, 12. Chairman, Mr. T. Martin.)

HEN (GEORGE) 600 GROUP, Grosvenor House, W., 11.30 (Chairman, Mr. J. A. Wellings.)

ILY MAIL AND GENERAL TRUST, New Carmelite House, E.C., 12. (Chairman, Viscount Rothermere.)

RTMOUTH MANUFACTURING, Birmingham, 12. (Chairman, Mr. A. F. Buswell.)

WSON (JOSEPH), Edinburgh, 11.45. Chairman, Mr. A. Smith.)

LA RUE, Cafe Royal, W., 11.30. Chairman, Sir Arthur Norman.)

DORMAN SMITH, Preston, 12. (Chairman, Mr. T. G. F. Atherton.)

FRATERNAL ESTATES, Guiseley, 12.30. (Chairman, Mr. G. Morris.)

GLOSSOP (W. AND J.), Halifax, 11.30. (Chairman, Mr. V. C. Jones.)

GRENDON SECURITIES, Great Eastern Hotel, E.C., 12. (Chairman, The Duke of St. Albans.)

HIGHGATE AND JOB GROUP, Paisley, 12.30 (Chairman, Mr. M. N. W. Burch.)

JANES (H. C.), Luton, 3. Chairman, Mr. L. B. Soll.)

JOHNSON MATTHEY, 20, Aldermanbury, E.C., 11.30. (Chairman, Mr. L. C. Montague.)

LAPORTE INDUSTRIES, 70, Brompton Road, S.W., 12. (Chairman, Mr. A. Jones.)

LEAD AND ALLOYS, Great Eastern Hotel, E.C., 12. (Chairman, Mr. M. C. Elton.)

LLOYD (F. H.), Winchester House, E.C., 12. (Chairman, Mr. M. C. Lloyd.)

LONDON AND ABERDEEN INVESTMENT TRUST, Winchester House, E.C., 11. (Chairman, Mr. C. W. Carnen.)

LONDON TIN CORPORATION, 55, Moorgate, E.C., 12. (Chairman, Sir Douglas Waring.)

MOUNTVIEW ESTATES, Russell Hotel, W.C., 12. (Chairman, Mr. W. D. I. Sinclair.)

REDDIFUSION, Connaught Rooms, W.C., 12.15. (Chairman, Sir John Spencer Mills.)

SANGERS, 20, Aldermanbury, E.C., 12. (Chairman, Mr. H. T. Nicholson.)

SMITHFIELD & ZWANENBERG GROUP, Connaught Rooms, W.C., 12. (Chairman, Mr. J. G. Clarfelt.)

TWYFORDS, Stoke-on-Trent, 12. (Chairman, Sir David Barritt.)

WGI, Manchester, 3. (Chairman, Mr. F. P. S. Slammers.)

WASSALL (J. W.), Birmingham, 11. (Chairman, Mr J. W. Wassall.)

APPOINTMENTS

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Pensions Administration

Guest, Keen and Nettlefolds Limited has two vacancies in its Central Pensions Department at Group Head Office, Warley, Worcestershire.

One is at SENIOR level and calls for wide experience of the pensions field. The successful candidate's responsibilities under the Group Pensions Officer will require continuous mastery of private and State pension scheme developments in order that he can play a full part in the planning and development of the employee benefit arrangements throughout the Group's world wide operations. The appointment carries a substantial salary, with flexibility to attract an outstanding candidate. Reference: B.218

The other is for an ASSISTANT aged 20-23 with at least 2 years' pensions administration experience. He will join the small team in the Central Pensions Department, and will find the job interesting and varied. He must be good at figures, willing to take responsibility and looking for a career job that is demanding and rewarding. An attractive salary commensurate with experience will be offered. Reference: B.219

Applicants should write, quoting the appropriate reference, giving details of age, qualifications and experience to the Appointments Manager,

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(Both of which are incorporated in the Republic of South Africa)

BOREHOLES UD. 18, UD. 19 and UD. 20

The Directors of Western Ultra Deep Levels Limited and Witwatersrand Deep Limited *announce the following results for Boreholes* UD. *18* and *UD.* 20 situated on the farm Buffelsdoorn No. 143 I.Q., District Potchefstroom:—

Borehole UD. 18 (situated approximately 1 530 metres east of the southwestern corner of the Western Deep Levels Limited mining lease boundary):—

	Depth (Metres)	Corrected Width (CM)	Value Gold (G/T)	Value Uranium (KG/T)	Gold Value (CM-G)	Uranium Value (CM-KG)
Ventersdorp contact Reef						
3rd Intersection	2 481	12.9	14.28	0.03	T84	*0.35*

Core recovery was complete.

Borehole UD. 20 (situated approximately 2 450 metres due west of the southwestern corner of the Western Deep Levels Limited mining lease boundary:—

	Depth (Metres)	Corrected Width (CM)	Value Gold (G/T)	Value Uranium (KG/T)	Gold Value (CM-G)	Uranium Value (CM-KG)
Kimberley Reef Upper Zone						
2nd Intersection	2 408	24.1	9.46	0.54	228	12.99
Lower Zone	Eliminated by intrusives					

Core recovery was complete on the upper zone.

Drilling is continuing in both these boreholes.

Borehole UD. 19 (situated approximately 2 800 metres west southwest of the southwestern corner of the Western Deep Levels Limited mining lease boundary):—

Drilling has been discontinued.

27th July, 1971.

Issued from 40 Holborn Viaduct, London, EC1P 1AJ.

CITY OF WESTMINSTER LONDON BOROUGH BILLS

amounting to *£11,740,000* were issued on 27th July, 1971 for maturity on 26th October, 1971 at a rate of 5¼%. The total amount of bills outstanding is £11,740,000.

GLASGOW CORPORATION

is issuing today £2m. Bills for maturity on 27th October 1971 at 5[illegible]% per annum. The total of outstanding [illegible] amounts to £6m.

Business magazine on tape

By a Special Correspondent

IN THE AUTUMN, the Time Life organisation plans to introduce a monthly audio magazine on cassette tape, aimed at U.K. and Continental business executives. The European launch follows the successful introduction of the magazine into the United States in January this year.

The new medium, making use of the spoken voice and named *The Executive Voice*, is intended as a kind of "continuing monthly seminar." It has the advantage of being versatile. It can be listened to at home or at the office, driving in to work and, with the aid of earphones, even on a train or plane.

Supplied monthly

At an average annual subscription of $70 or about £2.50 a month, the U.S. circulation is now 6,000 and is expected to double by the end of the year. Cassette tapes are supplied monthly, lasting 60 minutes and each contains eight to 12 spoken "articles." There are no advertisements. The Executive Voice is produced by its own staff but is under the editorial guidance of Fortune Magazine.

The Fortune link is evident in the editorial content. Top industrialists, consultants and labour leaders are invited to give their views through talks and interviews. Geared, so far, to an American audience, speakers have included Najeeb Halaby, chief executive of PanAm, Roy Ash, president, Litton Industries, Robert Townsend, author of Up the Organisation, Herman Kahn, director of the Hudson Institute, Lester Thurow, Professor of Economics at MIT.

Topical themes

In one recent issue of "The Voice," the four-day working week is explored, showing why U.S. industry is beginning to accept it as a way of boosting productivity and morale, while reducing absenteeism and employee turnover. The four-day week has already been adopted by over 90 U.S. firms. The Chrysler Corporation who last year lost 4,000 workers on their first day of employment and a third of their 120,000 payroll, are investigating the idea with U.S. auto workers.

Various topical themes have been investigated afresh: Profits from pollution control and the pollutant-free car; how to retire at 29, and have you seen your wife lately?; the overstaffed organisations and why I threw out the computers. Why the steam powered car is not only possible but virtually certain is also put forward.

A similar editorial mix but geared to a British audience, could well prove a successful formula in the U.K. With continuing complaints from busy executives that they cannot read more magazines, this may prove a novel and painless way to absorb new ideas and information.

How Esso brought safety to Fawley

BY ELSBETH GANGUIN

BY LAST Friday, the 1,300 blue and white collar workers on the petroleum side of Esso's refinery at Fawley had chalked up 430 days, or some 4m. manhours, without a single disabling injury. (Four million manhours is roughly equivalent to one man working for 2,000 years, or the total working lives of 40 men, as Esso proudly calculated.) Fawley now tops the safety charts of all the 69 Esso refineries everywhere.

Looked at in another way, when the refinery recorded 114 time-losing injuries in 1960 (involving at least one day, or one shift), this was reckoned to cost around £300 per head. By now, such cost has probably risen to at least £500. If minor injuries are added, which involve visiting the medical centre, probably costing £5 a time, and if it is remembered that Fawley had 2,389 of these in 1960, then the "zero" in the one category, and the 16 in the other, add up to likely savings of around £50,000 a year.

Goggles and safety boots

Esso further declares that it managed to reduce frequency rates of time-losing and minor injuries in the same proportion: in 1960 there were 15.5 time-losers per 1m. manhours worked, against 0.9 in 1970 (and "zero" so far this year). And there were 315 minor injuries per 1m. manhours against 36 ten years later.

All very enterprising, but how was it achieved? I expected to hear a tale of goggles and safety boots, helmets and competitions. Well, all of these did play their part. But the crux of the matter is improved total management performance. Twelve years ago it was not only Fawley's safety record which was bad.

In 1959, Fawley's total manpower on the petroleum side was about 2,500 for $150m. invested in plant. In 1970 manpower was down to 1,300, and investment was up to $237m., says Mr. Sid Vowles, refinery manager.

Refinery capacity in 1959 was 250,000 barrels of petroleum a day (there are 35 gallons to the barrel), whereas now capacity is 340,000 barrels, with 400,000 barrels to be achieved by the end of the year. And in 1959, it took 8.5 men per 1,000 barrels a day, while in 1970 the figure was down to 3.3 men. Finally, also in 1959, it took 6.9 maintenance men per every $1.m invested, and last year numbers were down to below two. All in all, this represents a package of better and bigger plant, and better management. The celebrated "Fawley Blue Book," which became the classic of productivity deals, has since been succeeded by seven others, unsung, but presenting further achievements on that score, too.

This then is the background to Fawley's safety record. Within this total project of bringing the refinery up to scratch, it was recognised that it needed a fundamental change in attitudes as well as in "commitment" and "involvement" to sell safety, and that this could only be brought about through developing attainable objectives on the supervisor's own patch.

A training programme was devised which aimed at making everyone aware that the human factor is the biggest in any accident and hence safety campaign. Groups of white collar employees, none of whom had any direct working relationships with each other, were formed in 1964 and put through four basic two-day training sessions. The refinery manager would address each group, telling them to "supervise yourself out of this situation." There were presentations, and general discussions with the various managers. "We want production, but there must be no shortcuts—we don't do things at the cost of hurting humans," was the battlecry. Objectives were set which would lead to measurable results. "What are *you* going to do," every participant was asked.

Six months later, the people were brought together again and asked whether they had done what they said they would do—and if not, why not. Once again, the managers were present. Then, blue collar workers were also put through safety studies, but only for one day.

So much for the sticks. Now for the carrots; the safety award scheme, thought to "influence people's behaviour because it recognises success. Everyone is aware of this," and if he isn't, there is a daily refinery news sheet (it includes the weather forecast and also what Shell is doing . . .) to remind him. If there has been one month without time-losing injuries, the employees (white and blue collars) receive vouchers. "This is a major safety prop—it makes safety a talking item." The annual budget for safety vouchers is £25,000.

All in, the refinery workers and staff get 10 vouchers per 50 injury-free days (the vouchers are worth about £1 each). Then there are 40 work-related groups with 30 or 40 members, who get vouchers every quarter—10 for workmen, six for the staff, for good housekeeping, no traffic incidents, no time losing. Finally, there is a bonus (20 vouchers) at the end of the year for "no home or work injury." And so on.

A mail order catalogue full of goodies is sent to the employee's home from which to choose what to exchange for the vouchers. "We want to bring the whole family into the safety business."

Safety is also the first item at every monthly meeting of Fawley's four joint consultative committees. There are plant safety committees, too, chaired by the respective supervisors, and manned by rotating membership. They meet every six weeks, or more often, when someone wants to make a point. And you can't move anywhere in the refinery itself without being made aware of one safety point or another. As a result, they told me, the three doctors who used to populate the medical centre are now down to one, and the day nursing staff is down from four to one, though five are still on shift.

More remarkable still, there are only three safety staff now in place of the previous dozen. "And we have been able to reduce the rate of accidents for contractors on the site by half." This, surely, must be an achievement—largely by setting such a splendid example, I suppose. But whatever Fawley's safety men can be proud of, there is no doubt in my mind that their safety record is a reflection of improved management performance all round.

THE FAWLEY RECORD

	Disabling Injuries No.	Disabling Injuries Frequency Rate*	All Injuries No.	All Injuries Frequency Rate*
1960	114	15.5	2389	315
1961	95	13.8	2105	306
1962	78	11.8	1690	255
1963	74	11.7	1468	235
1964	61	10.3	1072	180
1965	26	5.2	495	98
1966	17	3.5	361	74
1967	6	1.2	393	81
1968	12	2.9	188	46
1969	9	2.5	161	45
1970	3	0.9	116	36
1971	0	0	58	34

* No. of injuries for every million manhours worked.

Mr. Sid Vowles

Tax loss companies

BY OUR LEGAL STAFF

I am interested in buying a close company with a certified tax loss, but have been unable to find one. Are such now available? Could you help?

Dealings in "tax loss companies" have largely become a dead letter following the introduction of what is now Section 483 Taxes Act 1970, which seeks to disallow trading losses where there is a change in the ownership of a company coupled with a change in the method of carrying on the trade. In order to make an unprofitable company profitable it is highly likely that there has to be a major change of some sort, consequently few people to-day purchase a company with a view to utilising the tax loss. This applies to losses incurred in trading.

So far as capital gains losses are concerned, there is a reasonable demand for companies with agreed capital gains losses.

If you are interested in buying a company with an agreed loss you should contact your accountant or a merchant bank.

Collecting rent arrears

I own a field with an annual rental of £200 and in March I served the tenant with a notice to quit, owing to non-payment of rent but this does not take effect until February, 1973. Is there anything I can do to get the money before this date, by which time I shall be owed £600?

You have two possible courses open to you. One would be simply to distrain for the rent; the other would be to recover judgment for the rent and then enforce the judgment. There is nothing to prevent you from taking either course, which will not enable you to seize the land until the expiration of the notice to quit, but which will produce you £200—if he is worth that much.

An offer for land

I am the owner of a 324-square yards plot of land in the heart of an urban area which is to be redeveloped and, pending a compulsory purchase order, have been offered 50p a square yard. Would you advise me to await it, in the hope of getting more? Is it worth appealing to the Lands Tribunal?

You are really asking us a valuation, not a legal question: namely, what is the real worth of your land? This is quite obviously a question we cannot answer. If £162 is about right, then we agree that although you could get any dispute as to its value settled by the Lands Tribunal, it would not be worth the time, trouble and expense which it would cost you to take the case to them. Obviously, we think that that the Corporation will not offer any higher figure when they come to acquire the land compulsorily than they are now offering. But if the land really is worth much more, then your best course would be to sit it out and fight. This is something which only a valuer can tell you.

Liquidating a company

We are thinking of selling the properties of our investment company and liquidating it. This will produce a surplus over the 1965 valuation and we realise will attract tax, but will capital gains tax again have to be paid in distribution to the shareholders? Meantime we are to receive £1,000 from the local council as compensation for loss of a right of way. What will be the tax position here?

If you are considering liquidating your property investment company there will be a capital gains tax charge first on the assets of the company which are disposed of and secondly on the shares which you own. No tax saving is achieved by distributing the assets to the members in the liquidation as the same tax would be payable.

In the circumstances it would be preferable to negotiate for the sale of the shares with a party who would be interested in holding the properties either for use or investment.

With regard to the payment by the local council for the loss of a right of way, if this represents less than 5 per cent. of value of the asset it will be deducted from the base cost; otherwise it will be treated as a part disposal of the property which would give rise to the gain assessable to corporation tax in the year in which the compensation money is received.

Writing off furniture

I have a house let furnished which I propose shortly to sell. The furniture shows in my tax account at a written down value of £300, but I doubt whether it would fetch more than £50 in a saleroom. Shall I be able to write off the difference of £250 against tax for the final year's trading? When will tax be due on rental for the current fina[ncial] year?

If you are claiming c[apital] allowances on furniture, balancing allowance of [the] difference between the w[ritten] down value at April 5, 197[1] the sale proceeds will be g[iven]. If wear and tear has been cl[aimed] on a conventional basis su[ch as] 10 per cent. of the rent allowance will be given.

The tax on your rental in[come] for 1970-71 being the incom[e to] April 5, 1971, is payabl[e on] January 1, 1971 (irrespecti[ve of] the fact that the income [for the] following April 5 is not kn[own] as assessments are raised [on an] estimated basis). The r[ental] income from April 6, 197[1 to] September, 1971, when you [dis]pose of your property, will [form] the assessment for 1971-7[2 on] which the tax will be pa[id] on January 1, 1972.

The Inspector of Taxes [will] raise an estimated assessme[nt for] 1971-72 unless you write to [him] immediately after you hav[e dis]posed of the property indic[ating] the income and expenses [and] allowances which you [claim] against the rental income [for] 1971-72, in which case, he sh[ould] be able to make an assess[ment] on you in the correct figures.

A company's money

A company in which I hav[e an] interest is controlled by its directors. Two years ago, [the] company sold some property [and] the proceeds were paid by [the] solicitor concerned to one o[f the] directors. (a) Could a soli[citor] be justified in acting thus? What action can be taken t[o re]cover the money?

(a) The solicitor could n[ot] be justified in acting in this [way]. He must act on the instru[ctions] of the company—that is, of [the] Board of the company and [not] otherwise.

(b) Any action in the firs[t in]stance would clearly be by [the] company against the director [who] received the money to make [him] pay it back to the company. [An] action can be brought even [by a] minority shareholder if the B[oard] cannot be made to bring it [be]cause (for example) being ev[enly] divided they will not give [in]structions to a solicitor to b[ring] the action.

*

No legal responsibility can[be] accepted by the Financial Ti[mes] for the answers given in th[ese] columns. All inquiries will [be] answered by post as soon [as] possible. No charge is made [for] this service except in relatio[n to] investment matters.

Top jobs

THE U.S. executive job market is not likely to expand greatly during the rest of 1971 according to executive selection consultants Heidrick and Struggles. Although demand has gone gradually up in the first six months of this year, it is still lower than during the corresponding period last year.

Women's lib among the corporate wives

BY A U.S. CORRESPONDENT

THE CORPORATE wife, whose manner and brain are supposed to contribute to the young executive's success, is not conforming to company mores as much as she once did.

Business school officials and executive recruiters, the men who see young managers in bulk, are agreed on that. But one points out that the wife is still considered a factor in picking the executive for the really big jobs, $70,000 a year and up.

Courses for wives

The new freedom for wives appears mostly in the younger men, in the class who have gone back to business school for managerial training.

The wives of students at the Sloan School of Management at MIT have pressed the school successfully to start heavy courses for the wives themselves. Such things as accounting—"not on the grocery money level"—and organisational behaviour are being chosen.

The change is also showing up in convention programmes. Instead of sightseeing and fashion shows, wives at business conventions are getting a chance to hear lectures on the economy and social patterns.

The wife's own job in the business world is getting increasing stress, too. One Harvard Business School wife gave up her job in Chicago when her husband went to Harvard. But they have agreed she will take graduate studies and continue working when he finishes school. Another wife who will keep on working says that "If our child is sick, we'll take turns staying home."

Significantly, many younger wives are not going to job interviews when their husbands are considered for new posts. "They're not hiring me, they're hiring him," said Mrs. Nancy Hall, who runs a boutique near Harvard while her husband is studying. "When I go for a job, they're not looking over my husband."

Richard Beckhard, MIT teacher and a consultant on organisational behaviour, said that "scrutinising the wife is being raised as an ethical question to the point that some organisations are changing their policies." He thinks that psychological testing of an applicant's wife is an invasion of privacy.

Marriages and degrees

But it is still being done for the top jobs. Russell Reynolds, head of an executive recruiting firm bearing his name, said that "often the difference between two top men being chosen is whether the man has an outstanding wife." When he reports on a possibility for jobs over $70,000, he includes data on the wife: number of marriages, what college she attended and what degree she has, and her community activities.

Reynolds said that a sparkling wife would be considered particularly helpful to a husband under consideration for a job in commercial banking because it is so conscious of entertainment requirements.

MBO by the experts

FINANCIAL TIMES REPORTER

MANAGEMENT by Objectives is to get its own journal. The first edition of a new quarterly—named simply *Management by Objectives*—should be going out to subscribers by the end of this month.

The quarterly is the brainchild of two business journalists, David Carpenter and Ian Buchan. Their company, Classified Media, has already launched one magazine, Classified World, which, they say, has been going successfully since the beginning of this year.

In Management by Objectives they aim to produce a specialist publication written by professionals—either consultants or managers practising MBO. Its advisory Board includes Peter Hives, of Urwick Orr, Prof. Bill Reddin, who is a senior associate at AIC, Dr. Bill Paul, of North Paul and Associates, and Denis Ryan, of the British Institute of Management. The journal costs £10 for a year's subscription, and carries no advertising.

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WEDNESDAY JULY 28 1971

Shipbuilding gloom

W ORDERS received by U.K. yards in the first quarter of 1 were very low — 123,000 ss tons, compared with ual output of around 1.3m. s. In the second quarter re was a sharp recovery, h new orders rising to ,000 tons. But 650,000-700,000 s of this was accounted for the five large supertankers ich Shell ordered from land and Wolff in this ind: the rest of the shipbuilding industry received even er orders than in the first rter. The same point can be de another way by measuring ers in terms of compensated s, which take account of the rk content and value in a p. The 745,000 gross tons dered in the second quarter resent only 313,000 compensated tons, since the work tent of large tankers is low relation to their size.

ders slump

There are several reasons for s drastic reduction in new lers. Investment grants have n replaced by investment owances. The revolving fund cheap long-term credit for ners who place orders with K. yards is all but exhausted. the same time, there are ns of a world-wide decline new orders. Freight rates e fallen to the lowest level years at a time when costs ve been soaring. Many vessels laid up, and the new tonge which is now coming on the market as a result of ders placed in the late 'sixties making the situation worse. ipbuilding is a highly cyclical dustry and the cycle now ems to be turning downwards. ce world capacity has been panded considerably during e upswing, competition during e downswing is likely to be rce.

The U.K. industry has 5.15m. ss tons of orders on its books, presenting something under ur years' work at the present te of output. The existence this cushion—which is in any se unevenly distributed—can- t disguise the fact that an dustry which failed to make ofits during the boom now ces an increase in competition on ground little stronger than it was when the Geddes Committee reported. The basic trouble is its relatively low level of productivity. According to one estimate, Japan is at present launching 84 gross tons of shipping per man each year and plans to double this by 1980: the U.K. figure is 25-35 tons.

Low productivity has two major disadvantages when buyers rather than sellers are calling the tune. First, it makes for long delivery dates which buyers are reluctant to accept. Second, it creates difficulty in keeping costs under control. U.K. shipbuilding firms have recently been able to include cost escalation clauses in their contracts, but this will no longer be possible as competition increases: Japan has still not introduced them.

Active support

The Government has now received the report of the Committee which has been looking into the future of Upper Clyde Shipbuilders and Mr. Davies will be making a statement within the next few days. It is clear that no more public money ought to be put into the company in its present form and that some kind of restructuring is needed. But UCS is a special case, partly because of Government intervention in the past and partly because of Glasgow's unemployment problem.

The Shipbuilders and Repairers' National Association, commenting on yesterday's order figures, says that "the industry must also be able to rely upon the active support of the Government for, while shipbuilders would prefer to operate freely, it is unrealistic to think that any country without official help can compete with those nations where State aid in various forms is available." It is true that most countries subsidise or protect their shipbuilding industries. There is a good deal, therefore, to be said for the suggestion recently made by the chairman of Austin and Pickersgill, that there should be international consultations aimed at reducing these subsidies and bringing them into line with one another.

Some light in the EEC debate

O MUCH attention has been oncentrated upon the internal visions of the Labour Party n the EEC that the actual arguents on the merits of the case, ut forward in the Parliamenury debate, have tended to be verlooked. The issue has been well thrashed out in the last n years that no startling novel- es were to be expected, but here were some fresh points hat warrant discussion. Some f the most interesting of the conomic ones occurred in the peeches of Mr. Roy Jenkins and Ir. Anthony Barber.

New angle

Mr. Jenkins put a new angle n what has become known as insurance" argument for British membership. This refers o the dangers that could befall n isolated Britain if the world rade or payments situation rere to take an adverse turn. He referred to two special crisis meetings of the "Group of Ten" when the proceedings were adjourned—on one occaion for ten hours—while the Six tried to hammer out an agreed position among themselves. The British Chancellor ended to spend the interval in discussions with the U.S. Secreary of the Treasury. This may seem comforting for those who believe in a "special relationship" with the U.S.: but as Mr. Jenkins pointed out, the U.S. can live with whatever the Six decides, while this may not apply to the U.K.

The ex-Chancellor had however a new positive point. He gave details of the fall in the ratio of EEC export prices, relative to home market prices, first mentioned in the Financial Times special series of EEC articles. While this ratio was falling in the EEC in the 1960s, it was rising in the U.K. Several interpretations are possible of this finding. It could represent the direct effect of new export opportunities on the productivity and unit costs of the export trades, it could represent the stimulating effects of import competition on the international trading sector of the economy, or a mixture of both. But most interpretations do involve some gain to productivity arising from integration.

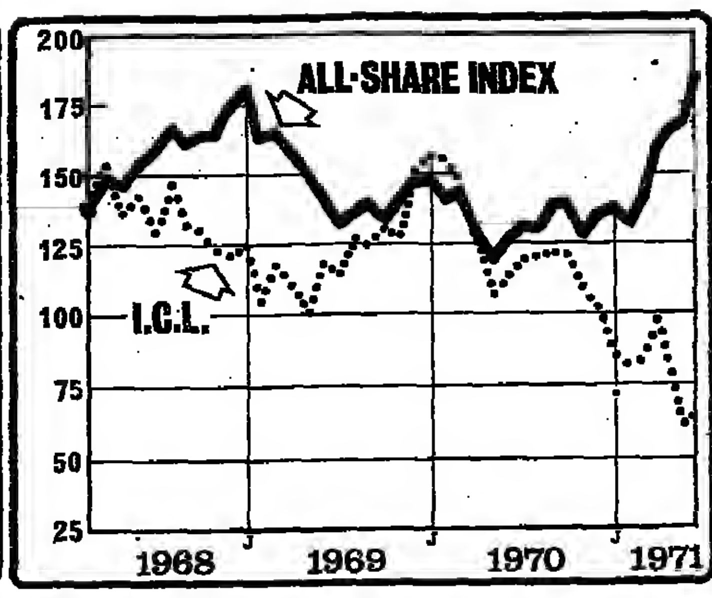
Mr. Enoch Powell has attempted to rebut this point by saying that other European countries outside the EEC showed even faster falls in export prices in relation to home market ones. In fact most of the other countries he cited are members of EFTA; and it is not surprising that the small EFTA countries should have secured major gains from the formation of the group. The trouble is that the U.K. is too large a proportion of the total EFTA market to share very much in these gains. A more significant question is why the U.K. did not gain more from the world-wide reductions in tariffs resulting from the GATT agreements of the last couple of decades. A possible answer, as Mr. Barber implied yesterday, is that European integration cannot be looked at simply in terms of the arithmetic of tariffs.

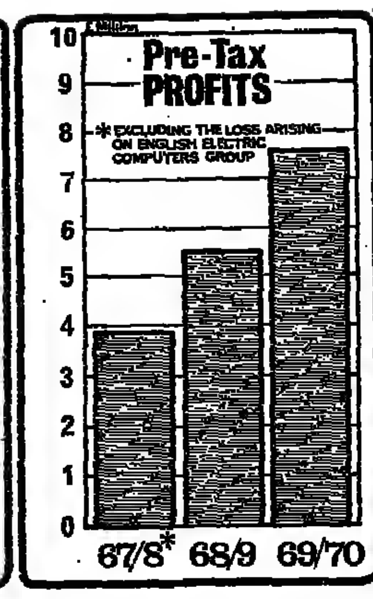
Uncertain

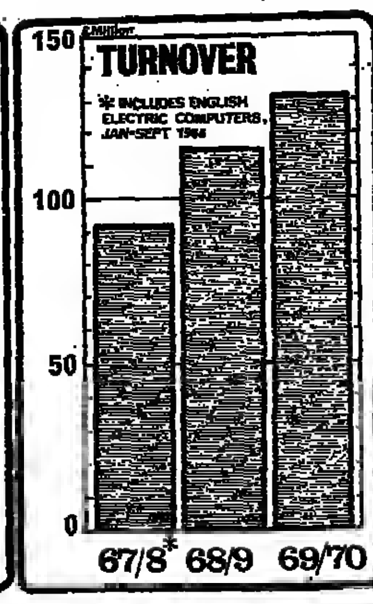
The main new points in Mr. Barber's speech related however to the liberalisation of capital movements, where the Community has now accepted the British proposals. The Chancellor did not think that this would lead to any great new wave of British investment on the Continent, as the desire to overcome the EEC tariff barrier will no longer be a motive. He also thought that there might be more European investment in the U.K. and that the tendency of American investors to look towards the Continent might be reversed.

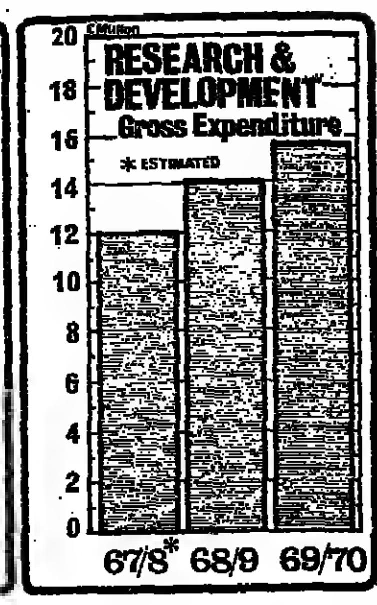
All this is, of course, highly uncertain; and the Chancellor laid emphasis on the fallback provisions of the Treaty of Rome, which would allow the reimposition of capital controls in case of emergency. The fact is that there is a great deal still to discover about the economics of EEC membership and it is important that the discussion should continue—not least because the Community's rules and institutions are in the melting pot and British opinion should now play a part in their evolution.

I.C.L
THE RECORD SINCE THE MERGER









International Computers is to dismiss another 1,800. **James Ensor** discusses . . .

The plight of the computer market

INTERNATIONAL COMPUTERS' latest redundancies are the most obvious sign of the severe recession which has hit the British computer market this year. The 1,800 men involved yesterday include workers at all its major British plants and bring the total cut-back this year to 3,400, or 10 per cent. of ICL's labour force.

There are likely to be a few more during the coming months and efforts are being made to slim down the office staff and overheads. ICL's Croydon plant will eventually be closed and output at Castlereagh has been substantially reduced. These two plants produce electro-mechanical devices, the demand for which has disappeared as buyers switch to electronic equipment. So the run-down there bears little relationship to setbacks in the computer market as a whole.

ICL's current output and order position is still healthy. Sales rose last year by 13 per cent. to £130m., and profits grew by 38 per cent. to £7.6m. as the years of development expenditure on the 1900 Series began to pay off in more profitable sales. However, most of the growth was overseas—U.K. sales increased by only £3m., to £85m.

Poor industrial demand

Fortunately, ICL entered 1971 with a full order book—almost enough to keep the plants in production for a year. On this basis, it was able to forecast increased profits for 1971 and a continued growth in turnover. Sir John Wall, ICL's chairman, emphasised yesterday that nothing had happened which would affect the validity of those forecasts.

Demand for computers among the important British commercial and industrial customers has been dismal this year. The ending of the special 20 per cent. investment grant for computers forced many companies to reassess their needs. The poor investment climate, which has affected machine tools as well, dissuaded many corporate Boards from considering major expansion in their computer capacity. At the same time, severe price cutting in the computer bureau market as service companies fought for a slowly growing business reduced demand in this area too. Several bureaux and software houses have ceased trading, which has inevitably had an impact on the computer market.

It seems that orders for new computers have fallen some 20 to 30 per cent. below last year. The British industry thus faces its first serious recession as deliveries begin to follow the pattern of orders in a year's time. Because computer usage is at a much lower level in Britain, it is unlikely that the cut-back will be as severe as in the U.S., where substantial cuts in buying by the Federal Government, NASA, the airlines and the aviation industry triggered a major recession in computer manufacturing.

The built-in growth pattern in Britain is still much stronger than in the U.S., where some companies have overinvested in computers. So the decline in sales should be more shallow and recover more quickly here.

Sir John Wall says that the ICL view is that there are more active prospects in the market than ever before, but that the general lack of industrial confidence has made it hard to clinch orders. Certainly every company in the British market—including IBM—has faced a drop in orders placed; but it is not yet clear whether this represents a genuine setback or simply a deferment. ICL has only been able to report a handful of new commercial orders this year—the most important being from the IPC Business Press, Express Dairies, Unigate, the British Aircraft Corporation, and the Anglia Building Society.

Unless prospects are converted into orders later in the year, ICL and all the marketing companies in Britain face a bleak prospect in 1972. That is why ICL has cut its staff back now and scaled production to a level consistent with the long-term demand pattern. Sir John admits that the company originally decided to carry the excess load of manufacturing manpower and technical staff which it inherited from the ICT-English Electric Computers merger of 1968. It felt that trained staff were too valuable to make redundant so long as there was a prospect of sales building up to absorb them. IBM, which has consistently maintained a policy of no redundancies in all its operations throughout the world, takes a similar approach.

Prospects, however, have deteriorated to a point where ICL must shed its surplus manpower and slim itself down to a more fighting style. Pressure from the City, which has marked the shares down from a peak of 175p in January to 110p last night (7p above the 1971 low), has been a factor in the Board's decision to cut its costs. With borrowings of almost £70m., City sentiment is important and British investors are clearly wary of advanced technology companies which are not seen to be cutting their coats to suit their cloth.

ICL is not alone in feeling the tightness of the British market this year. Honeywell has already laid off 500 men in its plant in Scotland, and NCR has announced substantial redundancies which cover its accounting machine, cash register and computer operations. The feeling in the industry, in fact, is that the smaller American companies have faced more of a decline in orders here than ICL.

But while all the American companies operate throughout most of Europe, ICL is heavily dependent on the British market. IBM has had to face a decline in orders in both the U.S. and the U.K. but some of its other operations are prospering and its heavy rental business keeps revenues rising even when sales decline. ICL sales are 65 per cent. directed towards the British market and are mostly cash, so that it has neither the geographical spread nor the rental business to support it when times get hard at home.

There is clearly a substantial amount of price-cutting in the computer market currently, partly engendered by U.S.-based companies (other than IBM) who need to increase their international business to counter declines at home. ICL has faced this most openly in Australia and New Zealand, but there are signs that it is spreading in Britain too.

The most cheerful factor in ICL's current predicament is its Government business, which is increasing from about £16m. worth of orders last year to £20m. this. Already the RAF and the Navy have ordered large stores control and catering systems while the central Government is buying machines for vehicle registration and Value-Added Tax calculations. The National Savings Bank has ordered two large ICL computers for registration work in Glasgow. Since many departments of the central Government apparatus are still singularly ill-equipped with computers and the great bulk of this business is still being placed with ICL, the company can hope for a steady increase.

The Eastern European market, where ICL's major American competitors are debarred from competing because of strategic objections, is also currently strong. Apart from the £6m. order for two ICL 1906As for the Serpukhov nuclear research Institute, which the Americans have finally agreed to allow, ICL is also to supply two computers for the production control of the Moskvitch car plant which will be worth £2m. In Hungary, it has taken orders for the motor spares retailer, the major electrical appliance manufacturer, and the Ministry of Heavy Industry. It has developed a special computer, the 4/62, which uses no barred American parts, for sale in Eastern Europe and has largely developed the export market there.

Except in Yugoslavia which is exempt from some of the U.S. embargoes, ICL probably accounts for 60 per cent. of East European computers. But is facing growing competition from the Japanese, from Siemens and the French CII. President Nixon's efforts for a *rapprochement* with the East are likely to lead to a softening of the strategic embargoes, which would allow IBM's large Vienna office to move into action. The Russians themselves are developing some effective, if large and slow, computers so that the long-term prospects in the East are less good.

The new ICL 1900 S series, launched with very little publicity this year, has restored the competitive position which IBM's 370 Series had threatened to weaken. On the crude comparison of power per £, the ICL machines are probably a better buy than the IBM range. More important, ICL has at last introduced a workable operating system, George 3, which although months late and substantially over-cost compares well with the IBM operating system OS.

The addition of a data-base management system and of a complex production control package, NIMMS, to the ICL 1900 software helps to remove the disadvantage from which ICL has suffered compared to IBM in the larger commercial systems. It can now offer the type of factory production control system linking several plants which has become a major part of the total industrial market.

Lack of such hardware and software has in the past excluded ICL from many of the most lucrative contracts among the larger British customers. Most of its sales have been of the small 1901 and 1902 computers, where selling costs are higher and the users relatively unsophisticated. Sales of the big 1906A computer have been much lower than the comparable IBM 360/65 and 360/75. ICL's 1906S, a development of the 1906A with half as much power again, now gives it a machine almost the equal in capacity to the largest IBM system, the 370/165.

Most observers have felt that ICL has been rash to tackle IBM across the entire market. It is the only computer company apart from Honeywell-GE which does so, but ICL's attitude is that it must provide the big systems which government and research institutes need. The development effort needed to produce the software and the new memories for such machines has been a heavy toll on the company's revenues. Development expenditure currently runs at £18m. a year, much more than IBM (U.K.) needs to spend.

The Government's final research grant of £2½m. is being paid this year and its last £3½m. for its equity stake will be paid next year. After that, it is probable that the Government will switch to development grants for specific projects which might advance British computing with the money split between ICL and British software houses.

A resented decision

The first, unhappy, attempt at such a policy was the London Airport Cargo system, awarded by Government directive to ICL against the wishes of the airlines who would largely be paying for it. ICL, with a late bid for an undeveloped system, was manifestly a less suitable choice than the airlines' choice, Univac, and the decision caused considerable resentment. But properly handled, a policy of awarding key development contracts so long as it were openly done, would be the best means of supporting ICL.

As Sir John emphasises, the choice between different hardware configurations offered by computer manufacturers is becoming less important and the pace of innovation is slowing down noticeably. ICL's 1900 S though basically of outmoded architecture, is expected to carry it through until its major new range is ready in three to four years. Meanwhile, it does need Government help to create new business opportunities.

Mr. John Davies, the Minister for Industry, has said that it would be "unthinkable" that any Government could allow ICL to sink—or, presumably, be bought by an American computer company. So it would be timely if the Government introduced some development contracts to carry ICL over the bleak months ahead.

ICL IN THE MARKET

	Total Market £m.	ICL Sales £m.	ICL Share %
Central gvt.	17	15	90
Local gvt.	11	9	80
Public corporations universities, hospitals	25	18	75
Industry and commerce	150	45	30
TOTAL U.K.	203	87	40
Eastern Europe	8	5	60
Western Europe	800	15	2
South & Central Africa		12	
Australia & New Zealand		7.5	
India & Pakistan		4	
TOTAL EXPORTS		43.5	

MEN AND MATTERS

To the other side of the tracks

Despite its staid reputation, Metropolitan Estate and Property Corporation does the most unexpected things. Last year there was the plan to merge with Hill Samuel. Now, in finding a new chairman, it does not make the expected inside appointment, but turns to Sir Henry Johnson, who apart from being on the Greater London Regional Board of Lloyds Bank, has never held a job outside the railways. His only link with property is a recent one, stemming from British Rail's new determination to realise some of its property assets. Johnson, as well as being chairman of BR, has been chairman of its Property Board since it was set up in January, 1970.

But the MEPC job, when he retires from BR on his 65th birthday in September, is a recognition of how much Johnson has impressed the outside world since he emerged as chairman of BR after the sacking of Sir Stanley Raymond. Having started as an LNER traffic apprentice in 1923, there was no doubt that Johnson was the best railwayman around. But not, by nature, a thruster, he had to prove his ability to lead and to delegate. In a sometimes thankless job, and in his own unflamboyant way, he has done both.

The reaction to his appointment in property circles will be fascinating. There had been institutional pressure for Sir Charles Hardie to resign before the last annual meeting. There are also persistent rumours of an MEPC link with a younger property group to provide it with bolder management. Yesterday's announcement from MEPC has borne this in mind by creating two younger deputy managing directors to serve under Mr. Richard Shepherd, the present managing director. Shepherd is 65, so this pair, Mr. Peter Anker and Mr. Maxwell Creasey, represent the shape of management to come.

There is nothing staid about Anker's career. Now 41, he left MEPC's British operations in *1955 to start its Canadian* business. Now, as president of the public company, MEPC Canadian Properties, he controls assets of about $120m., as well as taking a hand in Australian developments. "I know MEPC is sometimes called fuddy-duddy," says Anker. Now he will take more of a hand at the British end, he talks of re-importing "a little excitement into things."

Backward, downward

Onward and upward the Bahamas. Yesterday I attributed the change in motto from "Pirates Expelled, Commerce Restored" to "Forward, Onward, Upward, Together" by mistake to Barbados. In fact, Barbados is quite happy with Pride and Industry.

I provoked the following from Mr. David Smithers:

Barbados to the Bahamas
Is further than Wick to
Cape Finisterre;
To confuse their escutcheons
And thus to alarm us
Earns Observer a special Bar
Sinister.

Out of the frying pan . . .

It is around a month since Mr. Collin Collins, the jocular and rounded Clarkson's director, returned from the U.S. He had been heading the joint Clarksons-*Neckerman holiday* operation in the States—an enterprise which failed to convert Americans to the low-cost pleasures of European style mass tourism. *Collins returned* to be given the job of keeping Clarkson's U.K. image bright and lovable. He took his seat just as the good ship Delphi sailed on its eventful first voyage under the Clarkson's banner.

An ex-journalist in his thirties Collins took a plum for tea yesterday afternoon ("I have not had time to eat for two days") and meditated the pleasures of being at the receiving end of a questioning bombardment. "It's pretty bad listening to all this fuss when you know that 99 per cent. of the customers are having a happy time." But with, for instance, more than 40,000 people in Spain to-day having Clarkson's labels on their bags, that one per cent. makes a pretty big crowd.

America was something of an awakening for the ebullient Collins. "After standing in a supermarket line you realise that 'two nations separated by the same language' is right. We made mistakes." But he hardly had time for recuperation as the headlines flowed most recently over the El Toro hotel overbooking in Benidorm. "Ah, well," he sighs. "Tomorrow is another day." Not, he might have added hopefully, too much like the last few.

Beer from the Earl

"Of course we stock other people's beer, the pubs are like free houses in that respect, but 70 per cent. of the customers seem to like ours," said a happy Earl of Gainsborough, who has just bought a brewery. It is the century-old business of Melbourn Brothers, of Stamford, which *boasts* 30 pubs in Rutland Lincolnshire and Northamptonshire, all of them within an economic 30-mile radius of the brewery and one of them *just 3½ miles* from the Gainsborough country seat, Exton Park. Gainsborough has bought Melbourns with his eldest daughter and his son-in-law, Lord Liverpool, who has tired of London and the property business he has been in, and wants to work in the country.

The intervention is lucky for lovers of non-pressurised beer and, in particular, Melbourn's brown ale, which won a gold medal at the last Brewers' Exhibition. For when the Melbourn family decided to sell the business, there were four tenders, including one from one of the major chains, whose intention was probably to close the brewery but keep the pubs for its own product.

Gainsborough's plans are quite the opposite. He points out that being a small business (turnover is £250,000 a year), "We can have someone tasting the beer every half-hour." And though they are running out of Russian oak barrels, there is no question of going over to keg, "that fizzy stuff." He also believes in tenants, not managers, for the pubs. One point he might change, though, are the pub names. There isn't one called the Earl of Gainsborough yet.

Duck

If you are going to France for your holidays, beware. The Australian Government, as part of a campaign to attract French immigrants, is giving away *300,000 free* boomerangs at French seaside resorts.

Observer

MOTORWAYS: FT QUARTERLY REPORT

BY COLIN JONES

Halfway to a record year

SO FAR, with just over half of the year gone, about 95 miles of new motorway have been opened up for traffic in Britain and contracts for a further 33 miles have been let. If all goes well, by the end of the year theae figures ahould bave been raised to 238 miles and 153 miles respectively to make 1971 a vintage year for motorway buildera and users alike. Even if more last-minute problems materialise—like the earthwork instability wbicb has been causing some anxiety on a stretch of the M.4—this year's mileage of new motorways is still likely to be a record that may never be surpassed.

More significantly, the basic motorway map sbould at least bave taken concrete form on the ground by year-end. With the completion of the last sections of the M.6, the M.4, the M.5 aa far South as Bristol, as well as the M.1, the akeletal framework will have been stitched together. By next Tuesday, too, the first 28 miles of the M.62 across the Pennines will bave heen fully opened up.

But the 1,000-mile target for England and Walea, which Mr. Marples set in 1962, is still rather more than a year away. The total in use, including local authority urban motorways, sbould bave been raised to close on 940 miles by year-end, with a further 70 miles open in Scotland. The rate of completion is likely to be balved next year. But, with luck—and good weather—the total should still just pip the 1,000-mile mark in England and Wales (including some 30 miles of local authority motorway) by the end of 1972, with another 83 miles in Scotland.

The stretchea due to be opened up for traffic by then, together with those on which construction should hegin later this year, are as follows:—

M.3 London-Wincbester: middle 28 miles between Lightwater (near Bagshot) and Popham (south of Basingstoke) opened to traffic in two stages in May and June. Construction of the northern 12½ miles hetween Lightwater and Sunbury hegan earlier thia year for completion by the end of 1973.

M.4 London-South Wales: of the middle 78 miles between Maidenhead and Tormarton, the first 10-mile stretch at the western end in Wiltshire to Stanton St. Quintin (North of Chippenham) was opened in June. The next 20 miles to Liddington, near Swindon, should come into use in October. The last 48 miles past Reading should be ready hy the end of the year but earthwnrk stability prohlems could cause delay. Work on the Reading-Wokingham link road is due to start this summer.

M.5 Birmingham-Bristol-Exeter: northern 66 miles from the M.6 intersection at Ray Hall to Eastington, near Stroud, is now open. The next 18 milea to the M.4 at Almondsbury should he ready in October, linking up with the 8-mile stretch to Avonmouth which is already in use. South of Bristol 33½ miles are now heing huilt—the first 23½ miles to Edithmead, north of Higbbridge, should be finisbed by the end of next year. But it will not be for another 18 months—the summer of 1974—before tbe next 10 miles to Huntworth, just south of Bridgewater ia fully open to traffic.

M.6 Midlands-Carlisle: only two short stretches are still unfinisbed on this 231-mile motorway. Both sections—the 11¾-mile stretch from the M.1 at Catthorpe to the A.46 at Anstey, and the 7½-mile section to the north of Birmingham, between Castle Bromwich and Ray Hall—are due to be opened by about November this year. Meanwhile, work has begun on the 2½-mile Gretna by-pass which, when it is completed early in 1973, will link the M.74/A.74 dual-carriageway road from Glasgow to the English motorway system north of Carlisle and thus provide a fast route throughout between London and Glasgow.

M9 Edinburgh - Stirling: the 3-mile first slage of the Stirling hy-pass was opened in April, just before work began on the next 2 miles. The remaining 3½ miles of the by-pass to the M80 is expected to go out to contract later this year, together with the contract for the northern 3 miles of the M80. The next 6 miles from the M80 to the existing Polmont and Falkirk by-pass is unlikely to go out to contract before 1973. Work on tbe next 10 miles to the existing 2½-mile stretch of the M9 at Muriehall is due to start in two stages this year. The contract for the first section of 5 miles, between Lathallan and Burghmuir, was placed in May.

M20 Mid-Kent: the 6½-mile Ditton by-pass sbould be opened next spring.

M23 London - Crawley: contracts for two sections totalling 19 miles between Hooley, north of Redhill, and Pesse Pottage, south of Crawley, are due to go out between now and the autumn.

M25 London Orbital: the first contract, for the 7½ miles between Reigate and Godstone, ia due to be let later thia summer.

M27 Sonth Coast: work sbould begin later this year on the eastern 12 miles between Portsbridge and Windhover.

M40 London - Oxford: the Beaconsfield by-pass was opened in March. The contract for the 7-mile Gerrards Cross by-pass should go out thia summer.

M48 Sonth Wales: the 4-mile Morriston by-pass should be opened in August, 1972.

M53 Mid-Wirral: all 11½ miles should be opened for traffic in two stagea in Octoher and November.

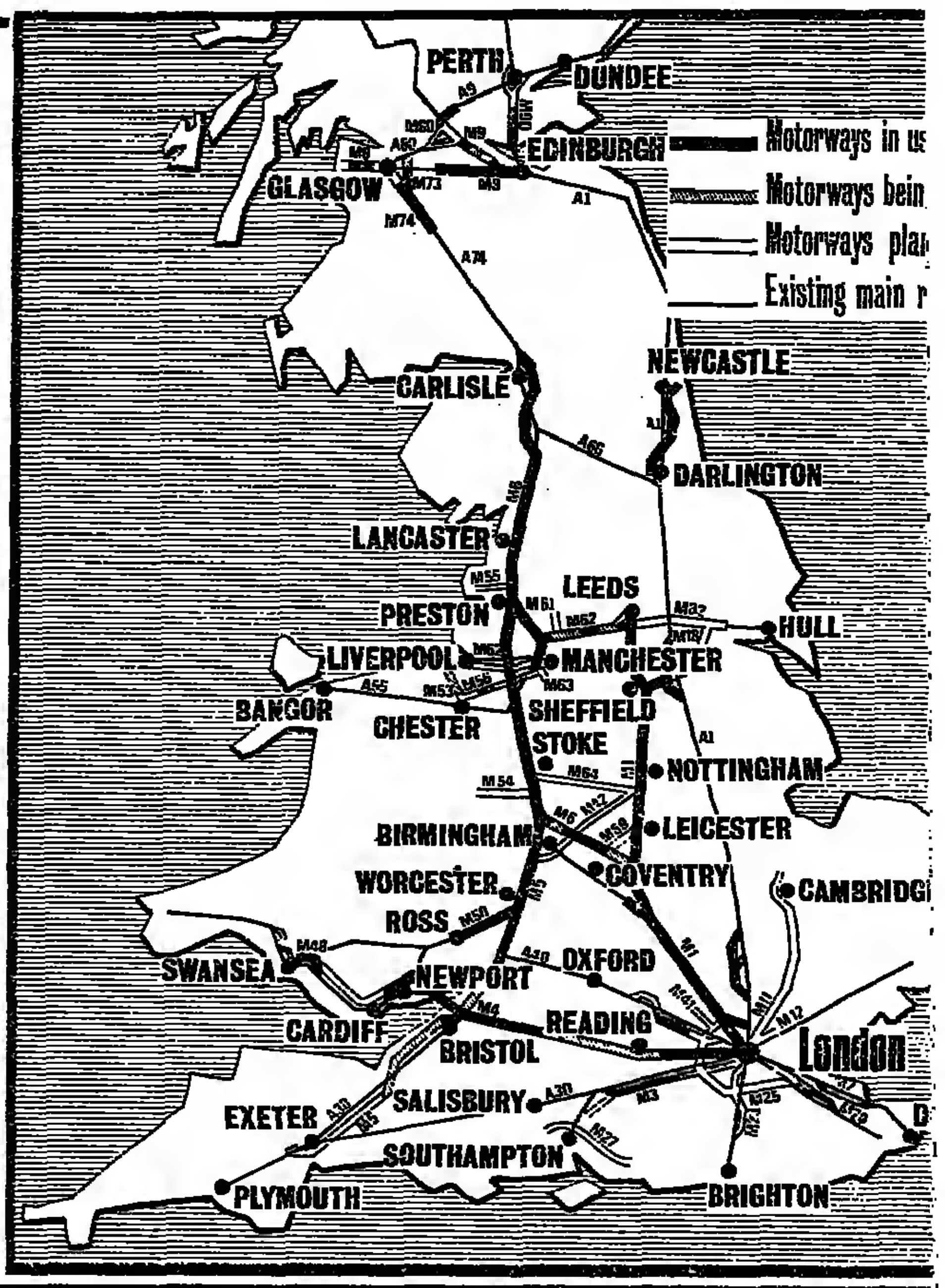
M56 North Cbeshire: the eastern 7 miles between Wythensbawe and Bowdon should be completed by the end of the year. The last 3 miles of the 8-mile western section hetween Hapsford and Preston Brook should open next month. Work on the 2½-mile eastern section of the Sharston by-pass (near Mancbester) should begin this winter.

M.62 Lancashire-Yorkshire: Of the middle 56 miles between Worsley (near Manchester) and the A.1 at Ferrybridge, the western 6 miles to the M.61 at Whitefield is open, the next 13 miles to the county boundary is due to open next Tuesday, and the next 8 miles to Outlane, near Huddersfield, is already in use. The 12-mile section from Outlane to Gildersome, near Leeds, should be finished hy the end of 1972, the next 6 miles to the M.1 at Lofthouse is open, and work should start on the final 11 miles to Ferrybridge later this year.

Work on the 23 miles between Manchester and Liverpool should begin in three stages hefore the end of next year: the first contract, for the 13 miles between Tarbock and Risley, is due to go out this summer. Work is also due to hegin in the next few months on the 3½-mile M.621 spur

M.63: Work should begin this autumn on the 4-mile Sale Eastern and Northenden by-pass.

M.73: The aouthern 1½ miles between the M.74 at Maryville and the A.8 at Baillieston opened in May. The remaining 5 miles to the A.80 at Mallinsburn should be ready early next year.



Labour News

"P.O. misled inquiry on pay": union

BY MICHAEL HAND, LABOUR CORRESPONDENT

LEADERS of the Union of Post Office Workers accused the management yesterday of misleading the recent Hardman Committee of Inquiry wbicb awarded a 9 per cent. pay increase to postmen following their 47-day strike.

The Post Office told the committee that £14m. was needed to meet tbe UPW members' sbare of a proposed contributory pension scbeme. It was calculated that this was equivalent to a 5 per ceot. increase in pay, so the union decided it would ask to keep the present non-contributory pension scbeme and to claim an extra 5 per cent. in wages on top of the 9 per cent. awarded hy the inquiry committee.

Now, according to the UPW, the Post Office is saying that the cost would be much lesa than £14m. It had already rejected the 5 per cent. pay claim based on tbis figure.

Yesterday Mr. Tom Scott, Post Office director of pay and grading, rejected an allegation hy Mr. Tom Jackson, UPW general secretary, that the management bad "conned" the union and the Hardman committee.

Next move

"We bave no reason to think our facts migbt bave misled the Hardman committee," be said. It was not a case of £14m. extra being available for distribution. The old pension scbeme, if it maintained several service standard benefits, would probably cost just as mucb to run in the future as the proposed new scheme.

The UPW executive will consider its next move after the Post Office carries out its promise to write to the union giving its considered comments on the UPW's case.

New pay claim by 330,000 nurses and midwives

BY ALEX HENDRY, LABOUR REPORTER

A CLAIM for a rost-of-living pay increase for 330,000 nnrses and midwives only four monlhs after their last settlement was referred to their negotialing committee yeslerday for furlher consideration.

Mr. Bert Spanswick, assistant general secretsry of the Confederation of Health Service Employees, suggeated tho claim to the 12-member staff side of the Whitley Council for nurses and midwives. He recommended they sbould jointly seek a 10 per cent. increase because of the increase in tbe cost of living.

Earlier this year an agreement giving 8½ per cent. on basic rates but with imprnvementa in holidays and overtime, costing a furtber 4 per cent., was accepted. It ia not due to run out until April next year.

A further increase now would be against the Government's pay strategy and the confederation is likely to run against opposition fro msome groups within tbe staff side who would not want to embark upon what they think would be a futile claim.

It would be resisted by the Government which would be nnwilling to concede a cost-of-living increase to one group of public service workers with the inevitable effect that bundreds of thousands more would demand the same treatment.

Exhibition workers' pay: unions in urgent talks

BY ROY ROGERS, LABOUR STAFF

UNION LEADERS representing some 4,000 craftsmen and labourers in the exhibition contracting industry are to bold an emergency meeting following management pressure on them to accept a final pay offer of £3 a week.

The employers—whose offer includea increased lodging allowances, sickness benefits and holidays—bave told the unions that unless it ia accepted by the end of the week tbey could not guarantee retrospection to July when the last deal expired.

The unions have already rejected the offer and ruled out arbitration "In the preaent climate." They now have to decide wbether to change their minda and accept the offer or riak losing retrospection of any eventual settlement.

Earlier this week an unofficial mass meeting of exhibition workers decided to give full support to their negotiators wbo have said they could not recommend acceplance of anything below £3.60 a week.

Although relatively quiet recently, the industry bas a history of lahour unrest and there is a possihility that more militant workers may take matters into their own bands.

More labour news on Page 12

QUEEN'S AWARD: PLEA TO EAST MIDLANDS

An appeal for more East Midlands companies to enter for the Queen's Award was made yesterday by Mr. Alan Boyden, regional secretary of the Confederation of British Industry.

There were, he said, far more companies than this year's six winners who were capable of gaining an award, which brought honour and a psychological benefit to directors and employees.

CADMIUM WEAKER

THE news that American Metal Climax bas reduced its price for cadmium from \$2.25 to \$1.50 a lh. cauaed the London free market price for tbis metal to fall back hy some 7 cents to \$1.35 a lh.

However, it is not expected that the U.S. price reduction will affect tbe official U.K. prodncer price for cadmium charged hy U.K. and Commonwealtb suppliers, since it was recently cut sharply to 65p

Ministers to consider UCS findings to-day

BY JAMES McDONALD, SHIPPING CORRESPONDENT

CABINET Ministers are expected to consider to-day the cooclusions and recommendations of the four-man committee investigating the Upper Clyde Shiphuilders problem. There could also be a Cabinet meeting later to-day.

It is believed that the Government—probably in advance of receipt of the full report of the four-man committee—may make a statement this week. The full report may not reach Mr. John Davies, Secretary of State for Trade and Industry, for some days.

There was informed speculation yesterday tbat Mr. Davies would announce the Government's plans for the company to-morrow.

Andrew Hargrave, Scottish Correspondent, writes: Six UCS sbop stewards and a full-time union official flew to London yesterday evening in an attempt to see the Prime Minister and Mr. Davies to-day. Tbey bave sent telegrams to both Mr. Heath and Mr. Anthony Wedgwood Benn, chief Opposition spokesman on trade and industry, advising them of their arrival.

The shop stewards include the conveners of the three yards and the Linthouse steel factory as well as Mr. James Ramsey, district delegate of the Boilermakers Amalgamation.

"We feel the Government's decision on UCS is imminant: hut we are auxious to talk to Mr. Heath and Mr. Davies before it is finalised and announced in the Commons," said Mr. Robert Dickie, convener at Clydebank, before leaving.

Mr. Robert C. Smith, provisional liquidator of UCS, bas funds to pay for essential materials and wages only until August 6, altbougb be bas received authority from the High Court to seek further loans from the Government, if necessary.

The shop slewards' trip to London follows what was later described as a "fruitless meeling" by Mr. James Jack, general secretary, between Scottish TUC leaders and Mr. Davies and Mr. Gordon Campbell, Secretary of State for Scotland, in London on Monday.

Their action was endorsed by a bastily convened meeting of 70 shop stewards (mostly from the Clydehank yard wbich restarted on Monday after tbe annual holiday) earlier yesterday. The call has now gone out to shop slewards at the other UCS yards (on boliday until August 9) to attend a meeting at Clydehank to-morrow if possihle. By then the cooveners hope to present an up-to-date report on the future of UCS—although, judging hy Monday's meeting with the STUC, they are not likely to get much further hefore the Cabinet decision and the announcement in the Commons.

Meanwhile, the shop stewards, now hacked hy the general council of the STUC, bave reaffirmed their intention to resiat closures or redundancies among the 8,300 workers and, if necessary, "occupy" any yard threalened with closure.

Company sues NatWest Bank (CI)

By Our Own Correspondent

GUERNSEY, July 27.

AN ACTION alleging breacb of contract and involving a claim for over £148,300 damages was lodged to-day in the Guernsey Royal Court against the National Westminster Bank Finance (CI) company of Jersey and Guernsey.

The action—wbicb tbe hank's advocate Mr. P. R. Collas, said would be "strenuously resisted," was brought by the Hougue Fouque Property Company, of 14, New Street, St. Peter Port.

It arises from the alleged failure of the hank to bonour an agreed loan of £33,000 arranged hy a director of the property company, Mr. William Joseph Wade, of Beau Port, St. Peter in the Wood, Guernsey.

The damages are largely made up of estimated profit losses over an eight-year period on a hotel and restaurant business which the property company had intended to buy for £65,000.

Industrial development permits touch lowest level since 1967

BY MICHAEL CASSELL

FIRM EVIDENCE of industry's continuing reluctance to expand and modernise is contalned in the worst set of industrial development certificate figures for several years.

According to tbe Department of Trade and Industry, fewer certificates were granted for projects of over 10,000 square feet in the second quarter of thia year tban in any three-month period since comparable records were started in 1967.

The number of certificatea approved in 1970 was particularly low in any case, and the aituation deteriorated even further in the first three months of this year. The latest figures from the Department sbow a contiouing decline in the number of organisations wisbing to embark on development programmes between April and June.

During the quarter, only 14.9m. sq. ft. of floor space was covered by certificates, compared with 18.2m. sq. ft. in the previous three months, itself the worst period on rerord since the end of 1967. In the same period last year, certificates accounted for a total floor space of 23.7m. sq. ft.

The latest figures hring the total for the 12 months ending in June to 75.7m. sq. ft. approved, compared with 93.1m. sq. ft. in the preceding 12 months.

During the lstest 12-month period, the proportion of certificates granted for work in development areas stood at 32 per cent., compared with 30 per cent. in the previous period. In the intermediate areas, 7.3m. square feet of floor space was covered by certificate against 7.8m. sqnare feet.

The total floor area receiving certificate approval during the second quarter rose in two regions. Authorised development in Wales accounted for 1.4m. squsre feet against 700,000 square feet in the previous three months, while in the South West an extra 200,000 square feet was added to the first quarter total of 900,000 square feet. All other areas recorded a drop.

Saleroom

£2,800 for Regency desk

NORMAN ADAMS gave £2,800 for a Regency mahogany pedestal desk at Phillip's £15,451 furniture, etc. sale yesterday. A set of 10 and two Sberaton dining chaira went for £800 to Ruhen, a 19th century ehonised and red boulle vitrine for £450 to A. and F. Gordon, and a hronze group signed P. J. Mène, for £310 to Kstz.

A sale of antique arms and armour, modern sporting guns and vintage firearms totalled £38,026 at Christie's. A pair of all-steel flintlock belt pistols hy T. Murdoch of Doune, c.1780, sold for 1,050 gns. to Washer and a mid-18th century pair by Alexander Campbell of Doune to Hopkins for 1,000 gns. Grant-Pelerkin paid 700 gns. for an early 17th century German powder flask and 800 gns. for an early 16th century German brigandine.

Christie's sale of miniatures and objects of vertu totalled £6,275.

At Sotheby's a sale of Chinese ceramics and works of art realised £29,739. Mrs. Glatz gave £800 and Partridge £500 for pairs of Ch'len Lung "famille rose," groups and tobacco leaf salts, respectively, and Vita Juel £500 for a pair of 18th century massive blue and white fish howls.

Sotheby's book room, the second session of a two-day sale of printed books realised £9,360, making £16,739. *Voyage au Brésil*, by Prince Maximilian zu Wied-Neuwied, Paris 1821-22, weot to Edwards and *La Revue de l'Art Ancien et Moderne*, vol. 1-58, Paris 1879-1930 to Ars Artis, each lot for £250. Pawsey and Payne paid £240 for Lewin's *The Birds of Great Britain*, 1795-1801.

Solbeby's aflernoon sale of antiqulties and primitive art realised £7,935.

Malta: cost-sharing mooted

BY OUR OWN CORRESPONDENT

Brussels, July

BRITAIN is expected to suggest the possihility of joint allied contrihutions to Malta at the regular weekly meeting of the NATO Council here to-morrow.

However, although Britain's allies are not yet prepared to make any official comment on such a proposal, privately the U.S. is helieved to be in no mood to pay out more for the alliance.

Along with the other allies, the U.S. bas firmly stuck to the line that the Malta problem is a bilateral affair between the Valletta Government and Whitehall. It remains to be seen how the U.S. will react if Sir Edward Peck, the British Permanent Represeotative to NATO headquarters, proposes some form of cost-sharing, thereby placing on the NATO organisation as such responsibility for Malta's military facilities.

One reason for NATO's apparent reluctance to get involved in Malta is the sheer unpredictability of Mr. Dom Mintoff. One question asked is: Even if NATO agrees to pay something like £20m. to the Maltese Government, how can the allies be assured that further conditions will not be imposed later?

Malta is not considered as valuable an allied asset as Iceland, for example, largely because the big naval complex at Naples is not all th[at far] away. On the other hand, [the U.S.] would he really worried [if Mr.] Mintoff agreed to allow [the] Russian Navy to use Valletta as a naval base.

Spanish offic[e] furniture

SISTEMAS ASSOCIATES ha[s been] formed in York to market furniture and equipment pro[duced] by Sistemas of Madrid.

The U.K. marketing co[mpany] begins operations to-day.

COMPANY NEWS + COMMENT

Bath & Portland sees profit increase

...half profits of the Bath and ...and Group, anticipated in ... to show an increase of some ... cent. are now reported at ...e of 67 per cent., from ...28 to £191,061 before tax.

... the second half year to ...er 31, 1971, they are ...ted to be not less than ... for the corresponding 1970 ... and "could well be more," ...irectors state.

...tax profits for the year ...0 were £537,443.

...anticipated, the group is ...ing to payment of an ...m dividend—2½ per cent. ...usly, the dividend was a ... 7½ per cent.

	Half-year 1970-71	1969-70
	£	£
...	15,040,000	16,540,000
...ls	1,516,000	1,622,000
...s & civil eng'g.	8,946,000	11,207,000
...lture	2,625,000	2,480,000
...yering	1,650,000	1,231,000
...	531,979	466,000
...ls	91,044	113,798
...s and civil eng.	47,957	*5,635
...ture	262,545	213,995
...ering	130,433	142,852
...	340,618	352,072
...before tax	191,061	114,828

* Loss.

...ectors say that in building ...ivil engineering, the improve... over the previous two years ...s from better results from ...ete and natural stone sub...ies. Last year as reported ...ng and civil engineering ...ver was reduced to a lower ... and the phasing in of ...tement turnover within this ... has not been easy.

...number of new contracts ...been awarded including one ...5m. at Reading and another ...2¼m. at Gloucester. The out...is improving but the negoti...t of final accounts on certain ... contracts continues to be ...racted and expensive both in ...est charges and in specialist ...

...uidity in the group is being ...ily improved and facilities ... becoming available for ...sary development.

● comment

...) per cent. drop in Bath and ...and's total turnover after six ...ths reflects the group's ...erate policy of running down ...uilding and civil engineering ...ess (sales having fallen 20 ...cent. this last half), though ...important point is that there ...been a £53,000 pre-tax turn...d back into the black by this ...on. Greater efficiency ...ughout the group is con...d by the margins improve... from 0.7 per cent. in the ...responding period to 1.3 per ... and the statement makes it ... that the profit improvement ...ved so far should at least be ... over the full term. This ...ests fully diluted earnings of ... a share and a prospective ...pf 13¾ with the price at 38p ...n 1½p last night after the ...ment). At this level the ...s have the backing of assets ...hare of 37½p and the prospect ...ontinuing recovery—albeit at ...rly sedate pace.

INDEX TO COMPANY HIGHLIGHTS

Berisfords to hold payment

A total distribution at least equal to the previous year's 12½ per cent. is forecast by Berisfords for the year to November 24, 1971, and the chairman, Mr. C. B. Sehire, says that if the present state of trade continues "we shall be able to make some addition."

An interim dividend raised from 3½ per cent. to 4 per cent. is declared—the increase is intended to give a more reasonable division of the total, not necessarily implying a larger total distribution.

For the first half year, group profit, before tax, has improved from £112,385 to £190,256.

For the previous year, there was a pre-tax figure of £301,545.

The chairman states that sales for the half year totalled £1,406,285 (£1,217,125), an increase of approximately 16 per cent. This is the result of better trading in most departments and especially in the products from new factories at Buglawton Park, where initial costs of installation of plant and machinery have now been met.

Policy of limiting distribution to one half of the amount available for shareholders has enabled the group to reduce bank borrowings, and with the reductions in the bank rate, the charge for interest this year shows a considerable saving.

At the present time business is showing "a steady improvement," he says, and the group is able to face the future with some confidence as it is now seeing the benefits of the hard work of management during the past year. Berisfords has just completed an arrangement by which it has taken over the woven ribbons interests of Porth Textiles and this should give extra turnover in the coming year, he says.

● comment

Berisfords' 69 per cent. jump in first-half pre-tax profits reflects the first full six months contribution from the Buglawton Park extensions which were completed last year. The absence of development costs incurred by this expansion last year has led to a substantial improvement in margins, while the introduction of new products at Buglawton has been largely responsible for the sales increase. Market conditions in the current year are better than in 1969-70, but the initial boost from the increased capacity is now over, so future profits growth is likely to be at a more steady pace. Even so, given that there is still some extra capacity to come on stream, the group should be capable of at least equalling the first half during the second six months. This puts the shares at 90p on a prospective p/e of 10.6 where they still have their attractions.

Westdock omits dividend

MANUFACTURERS OF commercial glasshouses, etc., Westdock Group is omitting payment of a dividend for the year to January 2, 1971, compared with a total of 13 per cent. for the previous year.

A loss of £93,318 is announced (against a profit of £81,525 before tax of £34,490) of which £33,099 (£50,165 profit) was incurred in the first half.

The result was affected by the continued increase in cost of raw materials at a time of a decreasing volume of work in the horticultural industry and the initial and the development costs of the system building side of the group's activities together with expenditure associated with the move to a new factory, the directors state.

● comment

After the first half drop into the red, the market was not looking for much from Westdock and the figures are certainly in line with the worst expectations. For the fourth half-year running, the group has slid further downhill and the trend looks like being maintained for the time being. Although sales have steadily increased over the past two years, this owes a good deal to price increases and demand has remained—at best—static in real terms. With costs continually moving ahead (especially such primary commodities as glass, steel and aluminium), this has resulted in tightening margins. While the Common Market negotiations have put a cloud over the future of the U.K. horticulture industry (and hence over Westdock's traditional activities), the group does have hopes of its diversification into low rise system-built constructions. The potential demand for such factory built "zip-up" schools is believed to be quite large and it is hoped that profits may start coming through over the next 18 months or so. Compared to the offer for sale price of 57½p in early 1969, the shares at 20p backed by net assets of about 31p a share (based on the year to December, 1969) could have their attractions as a recovery speculation.

Mr. J. F. Prideaux, chairman of National Westminster Bank. The bank yesterday announced increased half-time profits and a higher interim dividend.

Atlas Stone forecasts £425,000

SHARPLY INCREASED profits and a higher dividend are forecast by The Atlas Stone Company for the year to October 31, 1971. The company also announces a one-for-five rights issue at 133p per 25p share.

An increased interim dividend of 12 per cent. (10 per cent.) is declared on the present capital and in the event of profits reaching a target of £425,000, which compared with £342,000 for the previous year, it is intended to maintain the final at 20 per cent. on the enlarged capital.

Record profits—£165,587, against £112,971—were achieved for the six months to April 30, 1971, with sales in money and volume terms well above those for the corresponding period last year.

Current demand is "most encouraging" and the higher level of activity in the first six months is being maintained, the directors state.

N. M. Rothschild and Sons announces that underwriting is now in hand for the rights issue—324,576 Atlas Ordinary shares for holders registered on July 9. The proceeds will amount to approximately £410,000 and will be used in reduction of bank borrowings and to meet capital expenditure on the company's factories at Greenhithe and Meldreth to assist in further expansion of its activities.

	Six months 1971	1970
	£	£
Group turnover	2,483,804	1,951,087
Profit before tax	165,587	112,971
Taxation	86,250	57,750
Net profit	80,337	60,221
Preference dividend	2,250	2,250
Ordinary interim	48,886	40,572

● comment

Atlas Stone has been through a rough patch for the last couple of years but now seems to be heading for record profits helped by the mild winter and a general improvement in trading conditions. Though costs of both raw materials and labour have, of course, been rising, the price of asbestos cement (about a half of total sales) was increased by 7½ per cent. at the beginning of May. So with a good increase expected in the volume of sales the 24 per cent. pre-tax profits rise forecast for the full-year looks within reach. The market seems to have read the situation bullishly as at 149p the shares are 67 per cent. above their 1971 low and any fears of the rights issue diluting the equity appear to have been taken into account with a prospective p/e of 10.3 on average capital outstanding.

Moores Stores' prospects

Mr. J. E. Donlan, managing director of Moores Stores, is confident that the company's reorganisation programme, coupled with action taken in certain unprofitable sections, will improve results when the heavy costs of the programme have been met and the resultant savings fully realised.

Overhead costs will increase in the current year and turnover will be affected by further closures, but Mr. Donlan is certain "we are laying a firm foundation" for the future of the group.

By 1972 the main closure programme will have been virtually completed and the planned development of the group will then by accelerated. From 1972 onwards "we will be ready and able to cope with many new developments," he declares.

As reported on July 14, group profit, before tax, for the year to March 27, 1971, was £561,051 (£530,210) and the dividend 6¼ per cent. (same).

Meeting, Newcastle-upon-Tyne, August 20 at 11.30 a.m.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Artagen Props. ......int.	6	Nov. 8	5¼	—	12½
Atlas Stone ......int.	12	Aug. 11	10	(g)—	30
Bath Portland ......int.	2½	Sept. 20	—	—	7½
Berisfords ......int.	4	Sept. 2	3½	(F)	12½
Berry Wiggins ......int.	4	Sept. 1	3	—	9
British Match	5½	Sept. 24	*5¼	9½	*9½
Broadstone Trust ......int.	6	Oct. 6	6	—	16½
City Offices ......int.	6	Sept. 30	5	—	11
Dalton, Barton ......int.	9	Aug. 27	*7.27	—	*19.09
Intnl. Time Recording int.	6	Sept. 28	6¼	(c)—	17½
Lynton	5	Sept. 7	5	(e)9	8
National Westminster int.	8¼	Aug. 24	7½	—	15¼
Premier Investment ...int.	8	Aug. 18	8	—	(e)24
Pride and Clarke ......int.	9	Sept. 30	8	—	20
R. F. D. Group	6¾	Sept. 17	6¾	10	10
Ratcliffe Industries	17½	Sept. 4	17½	22½	22½
Stancroft	(d)12½	Sept. 16	12½	17½	17½
Union Commercl. Inv. int.	7½	Aug. 18	7½	—	(e)17
Union Steel Mnfg.	5	Sept. 30	3½	7½	6
Westdock Group	nil	—	5	nil	13

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) 20 per cent. total forecast. (d) Includes 2½ per cent. bonus (same). (e) For 11 months. (f) At least maintained total forecast. (g) Maintained 20 per cent. final forecast on increased capital.

R.F.D. off target: pays 10%

AGAINST a tentative forecast of in excess of the £401,840 for 1968-69, group pre-tax profit of RFD Group decreased slightly from £330,718 to £327,488 in the year to March 31, 1971, on a turnover of £5,747,114 against £5,490,527.

The dividend is maintained at 10 per cent. with a final of 6¾ per cent.

Mr. C. A. C. de Boinville, chairman, says the group experienced a difficult trading year, but the directors are convinced that future profitability will be considerably greater when certain measures become fully effective.

He explains that despite excellent order books, profits fell short of estimates largely as a result of business falling off in Australia, long delays and uncertainty in delivery of material supplies and also the rationalisation programme in the RFD, GQ and Mills Equipment companies.

However with an improvement in raw material supplies and availability of labour "we shall expect to make big inroads into our record order book, and to increase our turnover substantially," he declares.

It is unwise, in the present political and economic conditions, to be too dogmatic or too optimistic in forecasting profits, "but your Board will be disappointed if by the end of March, 1972 we are not nearer the figure of £400,000 which he had estimated for 1970-71," he adds.

Reorganisation and other measures will, together with latest products, bring by 1972-73 a substantial improvement in profits and a better return on capital employed.

Also U.K. entry into the EEC should benefit still further the trading position. The company's products include aeronautical and marine life saving equipment and parachutes.

	1970-71	1969-70
	£	£
Group turnover	5,747,114	5,490,527
Profit	327,488	330,718
Taxation	138,348	153,926
Net profit	189,140	176,792
Outside holders	4,869	7,692
Attributable	184,271	169,100
To general reserve	50,000	36,625
Preference dividend	6,500	5,500
Ordinary dividend	116,000	116,000
Forward	153,299	132,417

Meeting, Dorchester Hotel, W., September 16, at 11 a.m.

● comment

RFD has managed to produce earnings of 1.53p per share against 1.4p in 1969-70 thanks only to the lower tax charge, pre-tax profits having fallen by 1 per cent. on the year, but 18 per cent. below last September's forecast. This setback, coming after a good first half when sales and profits surged ahead to renew the company's confidence in its forecast, is blamed both on the Australian Government's delay in placing orders and on unreliable raw material suppliers. The repeated forecast for 1971-72 is backed by healthy order books (the best on RFD's record) and rationalisation of staff and facilities—even though all the benefits will only be seen in 1972-73. A p/e of 13.1 at 20½p last night seems high enough while the company has to rely so heavily on 2,000 suppliers, some tied by official specification.

Same 22½% by Ratcliffe Industries

Directors of F. S. Ratcliffe Industries are recommending an unchanged final dividend of 17½ per cent. to hold the total at 22½ per cent. for the year to April 30, 1971.

Pre-tax profits fell from £148,436 to £101,928 following the £52,856 (£73,996) at half-way.

Net profit was £59,428 (£76,936).

	1970-71	1969-70
	£	£
Profit before tax	101,928	148,436
Taxation	42,500	71,500
Net profit	59,428	76,936
Dividends	44,718	44,718
Expenses re acq. sub.	—	200
Profit on sale of cottage	431	—
Less tax	31	—
Tax adjustments	3,765	1,390
Forward	181,563	162,688

The group trades as precision spring manufacturers and painting contractors. Meeting, September 3.

Bridgwater Building

Half year results of Bridgwater Building Society show mortgages and investments running at record levels, Mr. Ronald Bird, general manager, announced yesterday.

Advances during the period at over £5m. have been made at a rate of over half as much again as in the same period last year. Investment income was over £6½m.

Total assets are now over £42m.

RESULTS AND ACCOUNTS IN BRIEF

NORMAN C. ASHTON (building and civil engineering contractors)—Results for year to March 31, 1971 with scrip issue reported June 25. Fixed assets £184,794 (£184,679). Net current assets £610,481 (£522,611). Directors are continually seeking ways of increasing not only quantity, but quality of land bank, and even though higher prices are having to be paid for land there is substantial increase on last year's figure, and at same time are constantly investigating new areas for development. Meeting, Leeds, August 19, at noon.

MINSTER INSURANCE COMPANY (controlled by Minster Assets)—Dividends, interest and property income for 1970, £1,266,233 (£909,566). Marine loss £7,024 (£165,000 loss); aviation £29,855 profit (£20,000 profit); motor loss £549,879 (£116,735 profit), fire accident and miscellaneous loss £156,765 (£99,434 loss). Profit £290,991 (£399,224) after tax £36,409 (£273,531). Dividends £30,000 (£345,000). Forward £1,378,176 (£1,343,312). Fixed assets £2,696,770 (£2,478,121). Investments £19,330,679 (£15,911,461). Total insurance funds £13,148,970 (£11,260,685). Meeting, Minster House, E.C., August 18, at 12.30.

I. D. AND S. RIVLIN HOLDINGS—(distributors of clothing and textiles)—Results year to February 28, 1971 and observations on current year reported July 15. Group fixed assets £449,444 (£448,096). Current assets £2,180,266 (£1,884,748), liabilities £1,814,414 (£1,556,754). Arrangements being planned to take advantage of company's trading potential in connection with Britain's possible entry into Common Market. Meeting Augustine House, Austin Friars, E.C., August 18, noon.

STANCROFT (engineers)—Final dividend 12½ per cent. (same) includes bonus of 2½ per cent. (same) making 17½ per cent. for year ended March 31, 1971 (17½ per cent.). Profit £61,486 (£65,195). Deduct tax £26,781 (£30,341). Net profit £34,705 (£34,857). Available £142,866 (£139,411). Preference dividend £6,000 (same). Ordinary dividends £25,250 (same). Forward £111,616 (£108,161). Meeting, Birmingham, September 15, at 4 p.m.

UNION COMMERCIAL INVESTMENT COMPANY—Interim dividend 7½ per cent. (same). Gross income six months to June 30 1971, was £581,300 (£687,800). Management expenses £25,600 (£24,900) and debenture and dollar loan interest £111,100 (£137,300) leaving revenue £434,600 (£525,600). Value of investments and net current assets £31,299,000 (£27,254,000). Net asset value of 25p Ordinary share 125p (108½p). After deducting the debenture and preference stocks at nominal values, the dollar loan at the official rate of exchange and the interim dividend. No account taken of any liability to capital gains tax

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ISSUE NEWS

Chloride raising £5.75m. by rights

LAZARD BROTHERS AND CO. announces that underwriting has been completed for a rights issue of £5.75m. 7½ per cent. Convertible Unsecured Loan stock, 1986/91, to Ordinary holders of the Chloride Electrical Storage Company in the proportion of £1 nominal of the stock for every seven Ordinary shares held on July 14. Shareholders have approved the resolution increasing the authorised share capital.

The stock, payable in full on acceptance, will be convertible on August 31 in any of the years 1973 to 1977 inclusive at the rate of 90 Ordinary 25p shares for every £100 nominal of stock, giving a conversion price of roughly 111p.

Over the last two years there has been a substantial increase in the company's investment in fixed assets and with increasing turnover and rising prices it has been necessary to provide additional funds for investment in current assets.

On June 30 short term bank loans and overdrafts and acceptance credits amounted to £8.61m. and the present issue is intended to replace a substantial part of this by more permanent capital.

Brokers to the issue are Cazenove and Co., in London, and F. W. Staveacre and Co., on the Northern Stock Exchange.

See Lex

SHORT TERM LOCAL LOANS

Deelings are expected to start to-day in the following local authority loans: London Borough of Hillingdon (£1m.), City of Cardiff (£1m.), City of Westminster (£1m.), Holyhead Urban District Council (£½m.), Horsham Urban District Council (£½m.), and West Kent Main Sewerage Board (£¼m.) are all issuing 6¾ per cent. Bonds due August 2, 1972, at par.

Urban District Council of Aldridge-Brownhills (£½m.), St. Neots Urban District Council (£1m.), Sale Corporation (£½m.) and Stroud Rural District Council (£½m.) are issuing 7 per cent. Bonds due August 1, 1973 at par.

City Southampton (£1m.) is issuing 7½ per cent. Bonds due July 31, 1974 at par while Borough of Nuneaton (£½m.) is issuing 7½ per cent. Bonds due July 30, 1975, also at par.

The Borough of Nuneaton is also issuing (£½m.) 7½ per cent. Bonds due July 28, 1976 at 99¾ per cent., along with City of Wakefield (£½m.).

J. and A. Scrimgeour were brokers to the Cardiff and Southampton loans in association with Long, Till and Colvin to the Nuneaton issues and with Cazenove and Co., in association with Robert Fleming and Co., to the Westminster Bonds. Brokers Phillips and Drew placed all the other loans in conjunction with Morgan Grenfell and Co. with the exception of the Wakefield loan where Kleinwort Benson was the issuing house: the Hillingdon issue was handled by brokers Pember and Boyle.

In association with Cater (Brokers), Cater Ryder have placed £½m. 7½ per cent. Yearling Bonds due July 3, 1974, at par for Hebburn Urban District Council.

Gerrard and National Discount Co. have arranged an issue of 6¾ per cent. Yearling Bonds for Midlothian County Council (£1½m.), Royal Borough of Leamington Spa (£½m.) and Borough of Blyth (£½m.).

S. G. Werburg and Co. has placed 6¾ per cent. yearling bonds at par for Bingley Urban District Council (£½m.) and Watford Rural District Council (£½m.) as well as 7 per cent. Two year Bonds at par for London Borough of Redbridge (£½m.).

OFFICIAL QUOTATIONS

Permission to deal in and quotation for the undermentioned securities has been granted:—

Lonsdale Universal—After allotment and registration, 174,000 Ordinary shares of 25p each, fully paid.

Monk (A.) and Co.—7,200,000 Ordinary shares of 25p each, fully paid: 300,000 5½ per cent. Redeemable Cumulative Preference shares of £1 each, fully paid.

British Enkalon—4,033,334 New Ordinary shares of 25p each fully paid (nil paid).

Tilling (Thomas)—£300,390 New 9½ per cent. Unsecured Loan stock, 1989-94, fully paid.

First half advance by Artagen

Pre-tax profit of Artagen Properties advanced from £625,000 to £655,000 in the six months to June 30, 1971, and the interim dividend is 6 per cent. against 5¼ per cent. and absorbs £312,712. Previous total was 12½ per cent. paid from pre-tax profit of £1,280,116.

Figures reflect what was said by the chairman at the annual meeting and the increase in dividend demonstrates the confidence of the Board in the future progress of the group.

	Six mths. 1971	1970
	£000	£000
Rental income	742	680
Dividends and int. receivable	175	203
Debenture interest	47	47
Interest	37	37
Mortgage and bank int.	241	192
Directors' emol., dep., etc.	17	15
Overseas developments	80	33
Pre-tax earnings	655	625
Tax	332	260
Available	323	365

● comment

Artagen's interim results are much as expected with a 9 per cent. increase in rental income partly offset by an increase in interest charges resulting from the acquisition of the new Melbourne site. This project is due to be started next spring for completion some time in 1974 and the other major new development in Wolverhampton is expected to be finished in 1973. Meantime another Melbourne site should be completed early next year and there will be a useful batch of rent reviews coming through in the next few years, including Sydney in 1972 (at present accounting for 15 per cent. of rental income). But the market already seems to have discounted some of this anticipated improvement as at 111½p the shares are at a 6p premium to the net worth with a historic p/e of 28 apparently buoyed up by bid hopes.

PRIDE & CLARKE

For motor dealers Pride and Clarke the half year to March 31, 1971 has been more favourable than for some years past, and for the full year the directors are confident of improved results.

They are raising the interim dividend from 8 per cent. to 9 per cent.—the 1969-70 total was 20 per cent. from profits of £145,000.

HEAD WRIGHTSON

It has been decided to amalgamate the three companies, Head Wrightson Iron Foundries, Head Wrightson Steel Foundries and Steelcast, into one company, to be called Head Wrightson Foundries.

The new company will have two divisions, steelcast and iron foundry. It is expected that the amalgamation will take place formally on February 1, 1972, but that the reorganisation leading to it and following it will extend over a period of many months and be complete by the end of 1972.

The objective is to strengthen Head Wrightson's position in the iron and steel founding industries so that it is able to take a higher proportion of the total available market than as three separate companies.

Bambergers expects recovery

HAVING FALLEN short of the forecast for the year to March 31, 1971, Mr. C. D. Woodburn-Bamberger, chairman of Bambergers, is diffident about being too precise as to the current year, but he expects "the year as a whole to be an improvement on last year."

The building materials division continues to do well but there is a certain hesitancy still manifest in manufacturing and timber.

Consumer demand in furniture and television cabinets should be encouraged by the recent Budget and tangible improvements are expected from the company's reorganisation, he adds.

The announcement of Foulness as the third London airport was gratifying in view of the company's 40-acre freehold property on the River Crouch. The directors propose to take full advantage of the increased activity in the construction field in the area.

As reported on July 15 group pre-tax profit for the year was £607,000, compared with a forecast of in excess of £751,000 and with £688,000 for 1969-70. The dividend is maintained at 5p per 25p share and a two-for-five scrip issue is proposed.

A breakdown (in percentages) of turnover and profit shows timber 65 and 41; building materials 27 and 53; manufacturing 8 and 6.

Sales of the forest products division were marginally ahead, but results were disappointing, mainly due to changes in the management structure. In certain respects there was inadequate planning and preparation, the chairman explains. Also the level of debtors, particularly in that division, increased substantially, partly due to the postal strike.

Meeting, Abercorn Rooms, E.C., August 26 at 12.15 p.m.

MINING NEWS

Poseidon financing still hangs fire

BY LESLIE PARKER, MINING EDITOR

YESTERDAY in Perth Poseidon took another step forward in getting its Windarra nickel prospect to production by signing the necessary agreement with the Western Australian Government. Capital cost is now put at over $55m. (£25.6m.).

At the signing ceremony, however, Poseidon's chairman, Mr. T. A. Hutton, refused to be drawn on the vital question of raising the necessary finance apart from saying that negotiations had taken place and expressing confidence that "at least one offer will be received before the end of the month."

He would mention no names but, as indicated in Monday's Mining Notebook, the American consortium of Union Oil-Homestake-Hanna could now be in the running with Anglo American Corporation and International Nickel.

It was notable that Poseidon's joint managing director, Mr. E. O. Myers, now puts the Windarra start-up date as July or August next year with production expected to rise to a planned 0.7m. tons of ore annually later in the year. A further expansion to 1.2m. tons in the first five years is envisaged.

Smelter possible

Mr. Tonkin, Western Australia's Premier, said yesterday that the company would pay half the cost of a 68-mile-long road linking Malcolm and the Kalgoorlie-Leonora road to the mine site and the full cost, about $4m. (£1.86m.), for upgrading the 147-mile railway from Malcolm to Kalgoorlie, where it is planned to concentrate the ore at the Lake View and Star plant.

He added that Poseidon had entered a commitment to investigate the construction of a nickel smelter within 10 years and to build and operate one "if it is technically and economically feasible."

The decline shaft at Windarra is expected to be 3,600 feet long in order to reach the first operating level at a vertical 400 feet below the surface and, Mr. Myers said, it should attain this length in about eight or nine months. Laboratory tests on ore from the decline have indicated no great recovery process problems.

Following the latest news Poseidon rallied £1 further to £12, capitalising the company at £39.4m., compared with over £300m. at the height of last year's boom.

WESTERN MINING OUTPUT UP

There was a further recovery in output from Western Mining's Kambalda nickel mine in the four weeks to July 20 although no new production records were set up. Ore treated at 88,705 tons compares with 81,511 tons in the previous period and with 68,935 tons in the strike-hit period to May 25.

The head grade of 3.16 per cent. nickel goes against 2.99 per cent. in the June period which was the lowest since production started. Output of 21,263 tons of concentrates assaying 11.16 per cent. nickel compares with 19,009 tons in the previous four weeks and with the peak 24,777 tons last November. Magnetic concentrates stockpiled were 12,639 tons. The shares were 4p better at 174p.

Selcast drilling

FURTHER drilling results are announced by Selcast Exploration from its Spargoville nickel prospect which lies to the south of Kalgoorlie. This is quite separate from the Agnew find, away to the north, in which the company now has a 20 per cent. stake.

Six holes have now been completed in the new 5Q prospect at Spargoville. The best assayed 0.93 per cent. nickel over eight feet from a depth of 135 feet. Three others gave between 0.86 per cent. and 0.94 per cent. over widths ranging from three to four feet.

At prospect 5A, about 1,000 feet to the south, four more holes have been put down, but only one has cut significant mineralisation. This was No. 166 which yielded 2.81 per cent over 3.2 feet at a depth of 241 feet.

Assays from only one hole completed at location 1 were 1.51 per cent. over seven feet from a depth of 413 feet; 0.67 per cent. over 20 feet at 425 feet; and 0.74 per cent. over 40 feet at 475 feet.

Meanwhile, progress continues towards production at locations 2 and 3, shaft-sinking having started at the latter early last month. As already announced, production is due to start within two years at an annual rate of 175,000 short tons giving a life of some four years on the basis of the last announced higher grade ore reserves which averaged 2.47 per cent. nickel and 0.23 per cent. copper.

Shares of Selcast Exploration, which is 83 per cent. owned by Selection Trust and Consolidated African Selection Trust, were 83p yesterday.

ROUND-UP

A further Agnew area deal has been done by the Selection Trust group. The right has been granted by Australian Consolidated Minerals for Western Selcast to earn a 65 per cent. interest in an area at Mount Sir Samuel comprising eight mineral claims covering 1,530 acres adjoining ground held by the ST group subsidiary north-east of Agnew.

Western Selcast can earn the interest by expending $0.85m. over a period of not more than three years. ACM has been drilling the area and has found some low nickel values. Shares of the latter company were unchanged yesterday at 22p.

Renison, the Gold Fields group's Tasmanian tin producer, reports a net profit of $1,302,669 for the year to June 30 compared with $2,003,954 for 1969-70. The dividend is cut from 35 cents to 30 cents. It is stated that revenue from sales was comparable with that for the previous year but costs were 20 per cent. higher.

It is stated by Bird Exploration that Anglo American Corporation has completed 1,540 feet of shallow percussion drilling and will start a programme of diamond drilling within the next seven days on the company's Pinjin Lake claims about 85 miles east of Kalgoorlie in which Anglo American can earn a 70 per cent. interest.

BRAND URANIUM POSTPONEMENT

As foreshadowed in the recent quarterly report, the Anglo American group gold mine President Brand is not to commission its uranium plant "for the time being." It would, in any case, have been necessary to stockpile production for the first few years of operation.

It is stated that, although the longer-term market picture for uranium shows signs of considerable improvement, the immediate and short-term position has deteriorated. The plant can be commissioned at short notice. The overall situation will be kept under constant review. Yesterday the shares were unchanged at 495p.

ON THE TRAIL

"Interesting" ultra-basic rocks have been found in percussion drilling on two claims at Dad's Bore near Windarra in Western Australia by the joint exploration venture of Mallina Mining and Kinetic Mining. Shallow diamond drilling has been recommended to test horizons and gain structural information on the northern part of the claims where magnetic anomalies exist.

In itself, this news is unexciting by mining exploration standards. But it could direct attention to further reports because the claims adjoin those of both Poseidon and the more recent nickel find of America's Union Oil-Homestake-Hanna, as discussed in Mining Notebook on Monday. Mallina were 35p and Kinetic 20p yesterday.

MINING BRIEFS

ST. PIRAN MINING—June production of tin concentrates: Thailand and Malaysia 148 metric tons. U.K. South Crofty: tons treated 7,540 produced 96 tons (May: 136 and 104 tons respectively).

WESTERN MINING—Central Norseman Gold treated 12,064 tons for 4,098 ozs. Gold Mines of Kalgoorlie 87,827 tons for 12,027 ozs.

UNITED TIN AREAS—June: long tons concentrates 173 per. cent. grade): Tin 11 tons, Columbite nil. Three months to date: Tin 53 tons, columbite nil (same period 1970-71: tin 30 tons, columbite nil).

British Match meets 9½% forecast

GROUP PROFIT, before tax of British Match Corporation contracted from £6,516,000 to £5,400,000 in the year to March 31, 1971 after £2,541,000, against £3,182,000 for the first half.

The dividend is effectively raised from 8½ to 9½ per cent., as forecast, with a final of 5½ per cent.

Group results were dominated by a swing of £957,000 from profit to loss in the building products division of Eddy Match of Canada, where Kootenay Forest Products was hit by depressed lumber and plywood prices and Grant Industries had another disappointing year. Grant has now been closed down.

	1970-71 £000	1969-70 £000
Group trading profit*	5,592	6,706
Interest (net)	492	190
Profit before tax	5,400	4,516
Taxation†	2,007	2,878
Net profit	3,393	3,638
Minority holders	437	513
Attributable	2,956	3,125
Exceptional items‡	354	—
Available	2,602	3,125
Preference dividend	90	90
Ordinary	1,771	1,740
Retained	741	1,295

*After depreciation £1,475,000 (£2,280,000) and exchange loss £119,000 (£132,000). † Corporation tax £1,804,000 (£1,967,000) less double tax relief £476,000 (£725,000). Overseas tax £1,188,000 (£1,794,000), transitional relief £55,000 (£114,000), prior year adjustment credits £221,000 (£44,000). ‡ Losses and expenses arising from closure of operations £650,000, less adjustment arising from reduction in rate of corporation tax £296,000.

An analysis of turnover (£000's omitted) £75,302 (£68,981) and trading profit £5,892 (£6,706) shows match industry £37,343 (£34,519) and £4,835 (£4,847); wood chipboard and fans £9,230 (£7,151) and £671 (£943); building products £10,651 (£11,378) and loss £660 (profit £297); printing and packaging £8,720 (£8,308) and £625 (£175); miscellaneous £9,358 (£8,625) and £421 (£444).

Geographically the turnover and trading profit was derived as to: U.K. £35,778 (£32,057) and £2,625 (£2,487); Africa £9,706 (£8,307) and £1,852 (£1,566); Australia and New Zealand £6,244 (£6,201) and £768 (£916); North America £16,292 (£16,807) and loss £148 (profit £731); South America £7,282 (£6,609) and £795 (£1,006).

The fall of £372,000 in the contribution from wood chipboard and fans arose from an inventory problem in the fan division of Airscrew-Weyroc, the directors state. Match and chipboard profits were maintained and printing and packaging results improved substantially.

There is an exceptional debit of £650,000 representing the estimated cost to the parent company, after taking account of tax relief, of closing down Grant Industries, Airscrew-Weyroc's Wallsend factory, and certain other unprofitable activities.

Since the end of the year there has been a strong upturn in the Canadian plywood market and Kootenay's sales have improved accordingly. If this trend continues, Kootenay is expected to show a profit for the current year.

Airscrew-Weyroc's new wood chipboard plant in New Brunswick, Canada, was completed on schedule by the end of April and is now in limited production.

Meeting, September 22.

See Lex

Dalton Barton upsurge

A SUBSTANTIAL rise in group profit, before tax, from £504,507 to £819,830 is reported by the merchant banking group, Dalton Barton Securities for the six months ended June 30, 1971.

For the previous year there was a pre-tax profit of £1,251,092.

The interim dividend is effectively raised from 7.27 per cent. to 9 per cent. In May, the directors said that they expected to maintain the same 21 per cent. total rate of dividend on enlarged capital (equivalent 19.09 per cent.).

	Half-year 1971 £	1970 £
Profit	819,830	504,507
Taxation	344,000	232,000
Available	475,830	272,507
Dividend	165,825	122,000
To reserves	310,005	150,507

Net earnings per 50p share are shown at 12.9p (8.1p).

Chairman, Mr. J. Dellal, attributes the continuing growth to general expansion of business and increasing demand for the group's specialist services.

It is planned to open a branch in the City in September. Mr. D. H. Winch, previously managing director of Dawnay Day and Co., who joins the Dalton Barton Board with effect from September 1, will spearhead the expansion.

This follows the recent establishment in Glasgow of Dalton Barton (Scotland), headed by Mr. C. Douglas Laing.

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See Lex

NatWest profit expansion interim raised 1%

ON AN INCREASE from £33,762,000 to £38,124,000 in first-half pre-tax profit, National Westminster Bank is lifting its interim dividend from 7½ to 8½ per cent. For the year 1970 a total of 15½ per cent. was paid from an adjusted profit of £69,386,000.

Net profit for the half-year advanced from £18,501,000 to £22,431,000.

The higher first half profit "reflects the growth in resources and in the volume of business which have more than offset the effects of a lower average Bank Rate at higher operating expenses," the directors state.

The proportion of the overall group results attributable to subsidiary companies has increased materially.

They point out that the out-turn for the year 1971 may to some extent be affected by the Bank of England's proposals for competition and credit control. "It is difficult to assess the effect of these proposals, however, until some experience of their operation is gained," the directors add.

	Half-year 1971 £000	*1970 £000	Year *1970 £000
Profit before taxation:			
Bank and subsidiaries	36,924	32,632	66,901
Share assoc. cos.	1,200	1,130	2,485
Total profit	38,124	33,762	69,386
Taxation (estimated):			
Bank and subsidiaries	15,296	14,788	29,029
Assoc. cos.	397	473	1,018
Profit after tax	22,431	18,501	39,339
Minority interests, &c.	129	90	235
Pre-acquisition profit	—	437	437
Preference dividend	485	480	961
Attributable Ordinary	21,817	17,494	37,708
Ordinary dividend	7,506	6,905	14,102
Retained	14,309	10,589	23,604

* Adjusted. 1 Lombard Banking Group October 1 to December 31, 1969.

The group figures for 1971 include the appropriate share of the results of the following associated companies: International Commercial Bank, Roywest Banking Corporation, the Diners Club and Yorkshire Bank, and figures for 1970 have been adjusted accordingly. Figures for the year to December 31, 1970, have also been adjusted to include the results of Ulster Bank Group which were not consolidated in 1970, except to the extent of dividends receivable, as the accounts of Ulster Bank were not then available due to the effect of the bank strike.

The results of Credit Factoring, Lombard Banking, National Westminster Bank Finance (CI) and North Central Finance are included on the basis of interim accounts for the half-year to March 31, 1971.

Mr. J. F. Prideaux is chairman.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table

TO-DAY

Interims—Albion, Anglia Television, Britannic Assurance, Foreign and Colonial Investment Trust, Gillet Bros., Lonrho, Madame Tussaud's, Prestige Group, Vereeniging Estates, John White (Footwear)

Finals—Graham Patterson and Benham, City of London Brewery and Investment Trust, Wm. Cory, Electronic Machine, B. Elliott, Fairey, Quinton Hazell, Lowe and Brydone (Printers), Marryat Group, Melody Mills, Property Security Investment, RCF Holdings, F. H. Tomkins, Unigate and Vna-Tex.

FUTURE DATES

Interims—

Desoutter Bros.	July 29
Glynwed	Aug. 5
Law Land	Aug. 17
Pratt (F.) Engineering	Aug. 2
Spencer Gomact	July 30
Transport Development	Sept. 7
Woodhouse and Rixson	Aug. 10

Finals—

Anock Oil	July 30
Beaver Group	Aug. 3
Caledonian Trust	Aug. 9
Eastwood (J. B.)	July 29
Ebonne Container	Aug. 4
Jacks (Wm.)	Aug. 9
Lothian Investment	Aug. 3
Ransom (Wm.)	Aug. 5
Richards Bros.	Aug. 18
Western Canada Investment	Aug. 2

James North: talks about new directors

Discussions are going on between the Board of James North, the protective clothing manufacturers, and bankers E. D. Sassoon about replacements for the three non-executive directors whose resignations were announced nine days ago.

Sassoon is representing a number of long-standing North shareholders, including former chairman, Mr. G. K. White, who resigned five years ago and now lives in France. Between them these holders account for more than 25 per cent. of the North capital and became restive when the company cut the dividend last year.

Chairman Mr. Clive Nicholson said yesterday that he hop[ed] non-executive directors w[ould be] replaced "fairly shortly."

A spokesman at Sassoon [main]tained the talks with the Board were "low key" and [took] place in a relatively [...] atmosphere. "At the mom[ent we] have no intention of fighti[ng the] Board or fighting in publ[ic]" [he] added.

The North shares last closed 1p up at 40p.

Reardon Smith sees progress

IN spite of the depressed market, forward fixtures Reardon Smith Line should [make] a "not too unsatisfactory" result for the current ye[ar re]ports the chairman, Mr. Chatterton.

But a continuance of the [...] serious state of the mark[et...] says, must necessarily show [a sub]stantial reduction in the level.

In October last year [...] which holds a dominant p[osition in] world bulk trades, unexp[ectedly] cut back its imports of bul[k com]modities, starting a recess[ion in] freight rates which has sin[ce con]tinued with increased in[tensity]. The supply of tonnage [is at] present greatly in excess [of] demand and freight rates [are at] their lowest level for some [...]

Stockholders will be advi[sed of] further developments reg[arding] the three ships being buil[t for the] group by Upper Clyde builders, but are assured [that] steps were taken to protect [as far] as possible the interests of [stock]holders and the group.

The Board is optimistic t[hat] the developments envisage[d the] group will not be involved [in] substantial loss.

Preliminary figures for th[e year] to March 31, 1971, were re[ported] on April 1 with the dividend —up from 7½ per cent. to 1[...] cent.

Final trading profit is shown as £2,563,272 a[nd] £1,726,617 and the pre-tax £1,391,482 compared [with] £575,509.

At the year-end, the cha[irman] held 1,464,066 Ordinary (415,846). Meeting, C[...] August 18 at 11 am.

Profit warning from Graig Shipping

The Board of The Graig Shipping Co. anticipates that profits for the current year "will not be as high as those for the previous year," chairman, Mr. D. I. Williams, tells members.

As reported on June 28, group profit, before tax, for the year ended March 31, 1971, increased sharply from £323,353 to £941,676. Total dividend is 25½ per cent. (17½ per cent.).

The chairman states that having sold the M.V. Glyntaf, the group from May to August of this year will only receive the earnings of two vessels, and this coupled with the fact that rates obtained for long period time charters will obviously be less than could have been realised on single charters.

Two bulk carriers are now engaged on the long period time charters and in one instance the group was able to extend the period of the time charter from 18 months to 4½ years, without any reduction in the rate of hire.

On October 15 last a contract was entered into for the construction of a gearless bulk carrier of 32,000 metric tons deadweight to be built in Poland, and delivery of this vessel is expected in August. The vessel qualifies for the Investment Grant has also been fixed on a 5-year time charter at a profitable rate.

Although world freight markets at the moment are very depressed members can rely on the Board watching the position closely and taking advantage of any opportunity that may arise, Mr. Williams says.

Meeting, Cardiff, August 18, at noon.

He pointed out, however, that the proposed scrip issue would have the effect of halving the amount of dividend per share, that is an amount of 3.4375p per share or 13¾ per cent. for next year would be the equivalent of this year's distribution.

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Intnl. Time Recording forecasts 20%

International Time Recording Holdings is raising its interim dividend from 6¼ to 8 per cent. and forecasts a total of 20 per cent. for 1971 against 17½ per cent.

Group profits for the six months to June 30, 1971, amounted to £137,405 compared with £154,843 before tax of £54,960 (£69,043). Pre-tax profit in 1970 was £359,219.

Overall turnover of the subsidiary, International Time Recording, for the first six months of 1971, showed a slight decrease compared with 1970.

Trading conditions continue to be difficult both at home and in the U.S., say the directors. But it is anticipated that the concessions recently announced in the mini-Budget will have favourable repercussions on home operations.

Conditions in the U.S. have in recent months shown marked improvements.

Indications are that the group will make up the leeway in the second half of the year. Costs have continued to rise in the last six months and price adjustments are being made to maintain margins.

"Slubbers" optimistic of improvement

Although faced with rapidly rising costs and uncertainty in consumer purchasing the chairman of the British Cotton and Wool Dyers' Association, Mr. G. A. Spencer, is optimistic that the group will improve its position in the current year.

The textile group progressed significantly during the last quarter he reports with the major expansion programme of merchanting and commission dyeing crimped polyester yarns following termination of the trading agreement with Qualitex.

The improved position anticipated is now coming to fruition and the group is deriving the benefit of owning and operating its own plant and machinery for dyeing and winding crimped yarns for the knitting industry, the chairman states.

Reorganisation of this group resulted in the closure of three units and transfer of appropriate plant and machinery. A progressional revaluation of two dye-houses at which there was considerable modernisation and development showed that their value had increased.

And with normal capital expenditure less disposals there was a decrease in the total fixed assets of the holding company amounting to £17,778.

Mr. Spencer states that while the organisation within the textile group has been stabilised, the Board will not hesitate to undertake further concentration if it is considered to be in the stockholders' interests.

Timber and manufacturing group units in Hampshire have improved their position both in sales increases through the Timber Company and in obtaining better market penetration in the southern counties, for the "Mayfair" range of kitchen units. The general climate in the building trade is more promising and this is reflected in improved order books.

As reported on June 29 pre-tax profit for the year ended March 31, 1971 was £150,626 (£107,253) with a dividend of 3½ per cent. (2½ per cent.).

Referring to the holding in a nominee name that had built up to just over 10 per cent. of issued stock the chairman reports that this holding has been sold and that there appears to be no exceptionally large holdings.

The chairman is to retire after the AGM but will continue as a non-executive Board member until December 1971. Mr. G. H. Lowe will undertake the combined duties of chairman and managing director.

Meeting, Manchester, August 26, noon.

Howard Shuttering confident

Order books of Howard Shuttering (Holdings) are in "an extremely healthy state," says chairman, Mr. J. A. Howard. He is confident that "our present encouraging rate of profitability will continue."

As known group profit, before tax and exceptional bad debts, increased by 27 per cent. to £119,388 in the year to April 30, 1970, and the dividend is maintained at 18 per cent. Sales expanded by 29.3 per cent. to a record £1,012,046.

The final result, however, was again marred by bad debts. The amount written off was £66,923 (£18,775), and after depreciation, etc., the pre-tax balance came out at £52,465 (£74,886).

In view of the "disappo[inting] final result" Mr. Howard d[ecided] to waive his right to the div[idend]. All the trading companies [in the] group traded profitably, d[espite] the fierce competition for [con]tracts, which continued [al]though there is an app[arent] sufficiency of major bu[ilding] works. With this competiti[on in] mind activities were re[cently] expended with the acquisiti[on of] Nelson Saw Mills and J[oinery] Works. "Apart from its ow[n con]tribution to profit, this acqui[sition] will supplement our needs i[n a] vital sphere of our activ[ities]," says Mr. Howard.

Meeting, Morden, August [...] 10.30 am.

Berry Wiggins first half advance

Pre-tax profits of oil re[finers] etc., Berry Wiggins and Co [in]creased sharply from £48,0[...] £185,000 in the first six mont[hs of] 1971 and the interim divide[nd is] raised from 3 per cent. to 4 [per] cent.

In 1970, a total dividen[d of] 9 per cent. was paid.

Directors say profits for [the] second six months of the cu[rrent] year are unlikely to reach [the] figure for the first half due m[ainly] to the increased cost of crud[e] but it is anticipated that the profit will be higher than the [pre]vious year's £235,215.

In May, chairman, Mr. W[...] Payne said the group had [made] a good start to the year with [first] quarter trading showing hi[gher] sales and profits compared [with] the corresponding period [last] year.

F.M.C. ready for further expansion

IT IS NEVER easy to forecast the future in a volatile business such as fresh meat, Sir John Stratton, chairman of FMC, says in his annual statement.

"But I am satisfied that in FMC"—Europe's biggest meat marketing organisation—"We have the ability and the facilities to obtain a still greater share of the home market, in which we are already a powerful force, and also to enlarge our export trade," Sir John adds.

In the field of bacon and manufactured products, the larger and more reliable supplies of raw material that will continue to come forward during 1971-72, together with the more satisfactory price structure secured, "should enable us to maintain the advance we have made in this sector."

He expects the poultry enterprise to have a better year end, that the by-products divisions will make a "further significant contribution" to profits.

FMC's principal bankers, Sir John reports, have "shown their confidence in the future of the group" by confirming their support for a further five years and at the same time substantially increasing the finance available, secured by the issue of a debenture.

As known, pre-tax profit in the year to May 1, 1971, rose from £915,007 to a record £1,741,486 and the dividend is lifted from 8 to 12 per cent. Turnover increased from £166,837,000 to £182,672,000.

Meat regions burdened with the Meat and Livestock Commission levy had a disappointing year, Sir John comments. The poultry division—severely hit by the effects of fowl-pest—suffered its worst setback ever.

However, better results from some of the by-products divisions and the pigs division contributed to the net profit of the FMC (meat) group of £1,014,759 (£1,102,726).

This deterioration was more than offset by an improvement in the profits of the Marsh/Harris group from £145,911 to £939,564 and a decrease in group expenses from £333,630 to £212,837.

The Meat and Livestock Commission levy, which Sir John describes as a "wholly unjustified" expense, cost the group £283,765 gross, or £168,611 net.

Urging that "this unreasonable burden" should be removed, Sir John declares: "I can think of no way in which one pennyworth of benefit was conferred on us in return. In a year such as the past when any kind of profit in fresh meat trading has been extremely difficult to make, it is intolerable to be saddled with a large unnecessary and unrewarding on-cost of this sort."

Meeting 25-31 Knightsbridge, SW, August 18, at noon.

Union Steel Manufacturing

A final dividend raised from 3½ per cent. to 5 per cent. by Union Steel and Manufacturing Company steps up the total from 6 per cent. to 7½ per cent. for the year to March 31, 1971.

Following the rise at halfway from £28,000 to £49,000, the group profit, before tax, excluding non-recurring profits of £9,407 (£20,680), is higher at £154,129, compared with £106,676.

City Offices interim up

City Offices is raising its interim dividend from 5 per cent. to 6 per cent. from a first-half profit up from £179,072 to £213,948.

For the year 1970 the profit was £392,000 and the total dividend 11 per cent.

TRUSTEES CORPN.

A recent estimate of income for the current year by the Trustees Corporation made chairman Lord Tangley confident at yesterday's annual meeting that the distribution to shareholders should be at least maintained.

Lynton Holdings pays 9% total

Against a forecast of 4½ per cent. Lynton Holdings has announced a final dividend of 5 per cent. making 9 per cent. for the period May 1, 1970 to March 25, 1971.

For the previous year, there was a total dividend of 8 per cent., which included a 5 per cent. final.

On an annual basis, this represents an increase of 1.81 per cent.

Group profits, before tax, for the 11 month period is £359,299, after minorities of £59,927. For the previous year, the figure was £365,045, after minorities £53,112.

	Period Mar. 25 ended 1971	Year Apr. 30 ended 1970
Group profit*	419,226	418,157
Outside shareholders	59,927	53,112
Profit before tax	359,299	365,045
Tax	129,111	160,348
Net profit	230,188	204,697
Dividends	161,415	143,480
Forward	478,655	409,882

* Including £34,792 (£55,014) profit on property dealings.

Meeting, London, September 6.

After tax of £129,111 (£160,348) the net profit is £230,188 against £204,697.

Directors state that completed properties of the group were revalued at March 25, 1971. The surplus over previous book values was £6.1m. of which £1.3m. is attributable to minority shareholders in subsidiaries.

LIFEGUARD ASSURANCE

Record new business results with sums assured up 60 per cent. for the year ended June 30, 1971, are announced by Lifeguard Assurance.

The net new sums assured were £60,691,687 (£37,812,811), while net new annual premiums were £730,623 (£529,473). In all, 10,843 new policies were written, against 8,000.

RECENT ISSUES

EQUITIES

Issue Price p**	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p***	+ or −	Div. % or Amount	Times Covered	Gross Yield %	P/E Ratio
75	F.P.	3/12	82	78	Allied Polymer	80½	+2	b12	1.3	6.6	15.9
◆	F.P.	—	163	130	Berwick Timpo (£1)	163	......	b6	2.6	3.9	9.6
53	75	15/12	88½	67	Border & Southern Conv.	88½	+1½	—	—	—	—
◆	F.P.	11/8	160	132	British & Can. Inv.	137	+2	2	—	1.7	—
10	F.P.	9/7	119	97	Burston Group	98	−1	b16	1.7	4.1	14.7
—	—	—	136	98	Burton Grp. Warrants	134	−1	—	—	—	—
38	F.P.	21/7	43½	40½	Coley-Rotolin Grp.	41	......	b10	1.7	6.1	9.8
◆	F.P.	30/7	69	60	Commodore Secs.	69	+3½	b12½	2.2	2.2	21.5
◆	F.P.	—	61	53	Cosalt	58	......	b16	1.3	6.7	8.1
20	F.P.	11/2	95½	90½	Evans of Leeds	94½	......	b16	1.4	4.0	18.0
—	F.P.	—	475	370	First Inv. Am. Tst. ($4)	380	......	—	—	—	—
00	F.P.	6/8	105½	97	Glendevon Inv.	105½	+1	£12	—	2.9	—
00	F.P.	5/8	115½	100½	Do. Do "B"	115½	+5	—	—	—	—
62½	F.P.	—	240	180	Pesel Trust	240	+15	—	—	—	—
20	F.P.	3/9	123	112	Kettering Motor Serv 10p	119	+2	b40	1.6	3.3	18.2
52	F.P.	27/8	60	55	Lawdon (10p)	60	......	b35	1.8	5.8	9.6
40	F.P.	4/8	46½	33	Lincroft Kilgour (10p)	33	......	b27	1.9	8.9	6.3
◆	F.P.	11/8	265	250	Matthews Wright's 20p	259	......	b40	1.9	3.1	17.3
62	F.P.	26/8	82	72	NSS Newsagents (10p)	82	+6	b22½	2.2	2.7	16.4
69	F.P.	—	71	60	Northborough Inv.	67	+5	—	—	—	—
—	F.P.	—	86	78	Schlesinger (R1)	79	......	b4.8	—	3.1	—
00	F.P.	16/7	111	97	SPLIT Inc. (10p)	111	+4	77.3	—	7.0	—
00	F.P.	16/7	106½	91½	Do. Cap. (10p)	106½	+2½	—	—	—	—
50	F.P.	7/7	91	80	Tigon Group (10p)	88	......	b25	1.5	3.6	25.7
—	F.P.	—	34	25	Tower Assets (10p)	34	+2	q7½	2.1	2.2	21.6
75	F.P.	4/8	81	71	Tranmer Grp. (10p)	76	+1	b40	1.7	5.3	11.5

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
100	F.P.	—	88	88	Armour Tst. 10¼% Part. Conv. '91-6	87	......
100	£25	15/10	28¾	24½	Automotive Prods. 10.4% Deb. '96-2001	25½	......
100	£85	18/8	32	23	Bensons Hos. 10% Conv. 1977-91	23	......
100	£35	29/10	35½	34½	Brady (G.) 11% Deb. 1991-96	35½	......
100	£50	—	50½	50	Bristol E. Pst. 10¾% M. Deb. '91-6	50½	......
—	F.P.	22/7	96¼	92½	Brit. Land 9½% Uns. 1975	94	......
£100	F.P.	7/7	98	94	Brittains 10½% Conv. 1991-96	92½	......
100	F.P.	19/8	108	95	Cannon St. 9½% Part Conv. 1978	105	+3
100	F.P.	6/8	113½	108¾	Cap & Counties 9¾% Uns. '91-6 (with Warrants)	112½	+½
100	nil	6/8	9	5½	Cattle Hlds. 8% Conv. '87-91	7½pm	+½
100	F.P.	—	99¼	99¼	City Acre 10.2% 1st. Mort. '91-6	99¼	......
£100	F.P.	18/8	116	98½	Cornwall Prop. 10% Partly Conv. 1976	109	−1
£27¾	F.P.	—	98¾	98¾	Doncaster (D.) 11% Deb. '96-2001	98½	......
£105	F.P.	23/7	111	103	East Anglian Water 10% Red. Pref. '77	108	......
♥£100	F.P.	9/2	114	101	Eng. & Int. 7% Conv. 1985	114	+9
£100	F.P.	29/7	105	100¾	Glendevon Inv. 10.6% Deb. '91-98	105	......
£99	£50	1/10	51½	50	Hargreaves 10½% Deb. '92-97	51½	......
£100	£50	24/9	53½	51¾	Hepworth Cer. 10.4% Deb. '92-7	51¾	......
£97½	F.P.	30/11	98½	98	I.C.F.C. 9% Uns. Ln. Stk. 1977	98	......
♥£100	F.P.	2/7	121	105½	I.C. Gas 7% Conv. 1990-95	118	+½
£98	F.P.	7/5	109	99¾	I.C.I. 10½% Uns. Ln. Stk	105	......
‡‡	F.P.	17/2	106	96	Kent Castings 10% Part. Conv. 1976	105	......
‡‡	F.P.	20/8	110½	105	Kleeman 7½% Conv. 1981	110	−½
—	F.P.	30/6	75¾	72½	Land Secs. 6¾% 1st Mort. Deb. '78-83	75¾	......
—	F.P.	30/6	68½	63	Do. Do. Do. 1993-98	68½	......
—	F.P.	30/6	90	83	Do. 8¾% Uns. Ln. Stk '92-7	88¾	......
£103	£10	27/8	18	18	Mid. Sth. Water 10% Red. Pref. '77	18	......
$100	F.P.	—	97½	97½	National Bank of Hungary 8¾% US$ Bds. 1981	97½	......
‡‡	F.P.	15/2	87	82½	Newman Inds. 10¼% Part. Conv. '96-8	97	......
£100	£10	—	9⅞	9⅝	North'pton Corp. 8% Red Stk. '78-9	9⅝	......
£100	nil	11/8	12½	9	Plantation 11% Conv. Sub. '91-96	10pm	−2
£100	F.P.	16/9	106	100	Ralli Int. 9% Uns. 1974	108	−1
£98	£25	7/10	25½	24¼	Reeves (F. J.) 11% Deb. '96-2001	25¼	......
£100	F.P.	13/8	107	96	Ruberoid 10¼% Prtly Conv. Uns. Ln. Stk. 90-95	107	......
$100	F.P.	—	98½	98½	Sandvikens 9% $ Bonds 1985	98½	......
£100	F.P.	18/6	110½	103½	Scott. Auto. 10% Conv. Uns. '85-90	109	......
£103	F.P.	23/7	111	108	Sutton Water 10% Red. Pref. '71	108	......
♥£100	F.P.	9/7	104	100½	Temple Bar 6½% Conv. '85-90	104	......
£100	nil	6/8	6¼	2¾	Throgmorton Tst. 8¼% Conv. '88-93	3¼pm	......
£100	nil	—	4¾	3½	Union Comm. 6¼% Conv. 1988	3¾pm	+¼
£104	£10	—	18½	13½	Wrexham & E.D. 10% Red. Pref. 1977	18½	......

"RIGHTS" OFFERS

Issue Price p***	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p***	+ or −
$1.00	Nil	—	Austim	7½pm	+1
55	F.P.	3/8	Bimita	80	......
♥A$16.6	37p	8/7	Bougainville Mines	100	......
140	Nil	2/9	Bovis	45pm	+3
27½	F.P.	30/7	Bridgend Inv.	32½	......
75	Nil	—	British Enkalon	8½pm	......
87	Nil	6/8	Scottish Tea & Rubber	4½pm	......
10	Nil	—	Shipton Automation	¾pm	+¼
85	Nil	—	Wolsey-Hughes	30½pm	......

Renunciation Date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ※ Provincial quotation. ✣ Introduction. ♠ Issued to former Preference holders. • Dealt in under Special Rule. ‡ Price at time of suspension.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

German aerospace group raises profit

BY CHRISTOPHER LORENZ

FRANKFURT, July 27.

PROFIT of Messerschmitt-Bölkow-Blohm (MBB), the West German aerospace and transport equipment concern, rose by more than 32.5 per cent. last year to ...1m.

About half the 9 per cent. increase in turnover to DM917m. was attributable to higher costs. A ... of 36 per cent. of the group's turnover came from payments for development work. The Government was the chief source.

The group presents a buoyant ... and is confident that the European airbus and the Multi-Role Combat Aircraft programmes, in which it is deeply involved, will be continued according to plan.

There are two exceptions to the generally-bright picture. First, the ... railway vehicles—including equipment for the new Munich underground—are not being sold at a profit. Secondly, there are doubts in German air industry circles about whether the new VFW 614 short-haul jet will last much longer, largely because of financial problems. MBB is making the aircraft's tail.

Investments reached a peak of DM128m. last year as the airbus and MRCA projects required new buildings and equipment. The planned 1971 outlay is DM80m., and this will decrease still further in the following two years.

This year's projected DM1,100m. turnover is already more than covered by DM1,200m. worth of orders, and the sales increase should continue into 1972. A dividend of 11 per cent. is being paid for 1970.

Shareholders are the Blohm, Messerschmitt and Boelkow families, together with Siemens, SNIAS (Paris), Boeing, and a Bavarian finance institution.

IRI suffers from effect of labour disputes

BY PETER TUMIATI

ROME, July 27.

ONE OF THE most significant ... to emerge from the 1970 accounts of IRI, the Italian State-controlled conglomerate, was the ... from 49.9 to 25.5 per cent. in the share of investments which the group was able to finance from profits.

In 1970, group investments, at ..., reached a record level. They were about 33 per cent. up on 1969 and are expected to total ... £866m. this year. Group ..., however, rose by only ... per cent. and exports actually declined, by nearly 6 per cent.—the first decline in exports since 1962.

Sig. Petrilli said that the companies within the group last year had fallen short of their production targets by a minimum of 5 per cent. and a maximum of 15 per cent. Labour disputes had caused the loss of almost 6m. working hours within the group.

The cost of labour, said Sig. Petrilli, had risen by over 24 per cent. in 1970. He estimated that this year it would be up by about 40 per cent. on 1969; such an increase had been expected to occur by the end of 1972.

Wells Fargo to set up merchant bank

By William Low

Wells Fargo Bank, the 13th largest in the U.S., plans to establish a merchant banking operation in London early next year. The new bank—Wells Fargo Limited—will have an effective working capital of $10m.

Although the new bank will engage in all types of merchant banking activities, it will specialise in short- and medium-term loans for American customers and multinational companies.

Wells Fargo Limited, according to a spokesman, will complement the activities of Western American Bank (Europe), the London consortia bank in which Wells Fargo is a shareholder along with two other U.S. banks and Hambros. The spokesman emphasised that Wells Fargo will not withdraw from WAB, nor reduce its stake.

The U.S. bank is in the process of expanding its international operations. Branches will open shortly in Tokyo and Miami. Apart from its London interests, Wells Fargo has an international division in New York and a branch in Luxembourg.

COMMERZBANK BUSINESS UP

FRANKFURT, July 27.

COMMERZBANK said its volume of business (comprising balance sheet total and liabilities in respect of endorsements) rose by 12 per cent. to DM22,724m. in the first half of 1971.

In an interim report, the bank said that the balance sheet total alone climbed to DM21,484m. in the six months from DM19,698m. at the end of last year and DM17,653m. at the end of June, 1970.

Reuter

Systron-Donner aims for 40% overseas sales

BY OUR OWN CORRESPONDENT

SAN FRANCISCO, July 27.

SYSTRON-DONNER CORP., the California-based producer of electronic test and measurement instrumentation, expects sales of between $30m. and $30.5m. in the fiscal year ending July 31, with about 15 per cent. of the total to come from overseas, primarily Europe.

Erle Hill, financial vice president and treasurer, said in an interview the company's "ultimate goal" is to generate about 40 per cent. of its sales abroad, again principally in Europe, a target he believes should be reached in about five years.

George Bruns Jr., president, chief executive, a director and one of the founders of Systron-Donner, has been in Europe this month attempting to negotiate an interest in a French company, Mr. Hill said. He would not identify the French prospect other than to say it is an instrumentation company and that Systron-Donner probably will try to negotiate a joint venture arrangement with it.

"We're also presently negotiating a minority interest in a Japanese instrumentation company with cross-licensing agreements to market Systron-Donner products in Japan and the Japanese company's products in the U.S.," Mr. Hill added.

"There has been an escalation in our markets outside the U.S. and we expect this to continue," he noted. "There are some good, solid markets there in which we should be participating."

For the nine months through April 30, Systron-Donner had net income of $722,700, equal to 46 cents a share, down from net income of $1,063,400 or 69 cents a share in the similar year—earlier period. Sales for the first three-quarters of the current fiscal year slipped to $21,551m. from $23,997m.

Mr. Hill described the third quarter as one which saw the company "turn around quite a bit. For three quarters in a row we had net earnings equal to 13 cents a share, but in the third period this year profits jumped to 20 cents a share, precisely equal to the third quarter a year ago."

MERRILL LYNCH NYSE LISTING

By Our International Company News Staff

MERRILL Lynch, Pierce, Fenner and Smith yesterday became the first securities company to have its shares listed on the New York Stock Exchange. The ticker symbol for Merrill Lynch is "Mer." Merrill Lynch's common stock has been traded in the over-the-counter market since the first public offering of its shares on June 23. The shares were simultaneously listed on the Midwest Stock Exchange and the Pacific Coast Stock Exchange.

Donald T. Regan, chairman and chief executive officer of Merrill Lynch, placed an order to purchase the first 100 shares of Mer to trade on the Big Board. A total of 31,861,148 of Merrill Lynch's common shares were listed on the NYSE. Merrill Lynch is the largest firm in the securities industry, serving 1.500m. individual and institutional investors through 247 branch offices around the world.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

	Bid	Offer
Straight		
Atlas Copco 9½pc 1985	102¾	103¾
ASEA 8½pc 1986	94½	95½
Beecham 8½pc 1986	93	94
Borregaard 8½pc 1986	95½	96½
Conoco 8pc 1986	93½	94½
Conoco 9½pc 1985	103¾	104¾
Courtaulds 9½pc 1985	102½	103½
Denmark 9pc 1982	102½	103½
Esso 8pc 1986	97	98
Esso 9pc 1985	105¼	106¼
General Mills 9pc 1986	93	94
GUS 8½pc 1986	94¾	95¾
Hambros 9½pc 1985	103½	104½
Hamersley 9½pc 1985	100¾	101¾
ICI 8½pc 1982	84½	85½
Ireland 8½pc 1989	92¾	93¾
ISEC 9pc 1985	101¾	102¾
Massey Ferguson 9pc 1982	101½	102½
Monsanto 8¾pc 1985	100½	101½
Mt. Bk. Finland 8½pc 1986	91¾	92¾
Occidental 9½pc 1982	99½	101½
Oslo 8½pc 1986	92½	92½
Olivetti 9½pc 1985	102½	103½
Ontario Hydro 8½pc 1986	97½	98½
Philips 6½pc 1976	98	99
Quebec Hydro 8½pc 1986	95	96
Transocean Gulf 8pc 1986	93¾	94¾
Notes		
Cabot 8½pc 1975	101	102
Ericsson 8½pc 1976	101¾	102¾
Esso 7½pc 1978	97½	98½
Esso 8½pc 1975	103½	104½
Gatx Oswego 8½pc 1977	98	99
Hawker 9pc 1975	101½	102½
Nippon Petr. 7½pc 1973	98½	99½
Oslo 9pc 1975	103	104
Transocean Gulf 8½pc 1975	101¼	102¼
Source: White Weld Securities.		
Convertibles		
Alusuisse cum wts. 7pc '81	104	105
American Can 4¾pc 1988	78	79
American Brands 5½pc '88	122½	123½
Amoco 5½pc 1984	95½	96½
Beatrice 7½pc 1990	118	119
Chrysler 5pc 1988	66½	67½
Borden 6½pc 1991	102¾	103¾
Eastman Kodak 4½pc 1988	92½	93½
Equity Funding 5½pc 1989	83½	84½
Firestone 5pc 1988	06	07
Ford 6pc 1986	103½	104½
Fuji Photo Film 6½pc 1985	156½	158½
Honeywell 5pc 1983	97	98
Kinney 6½pc 1990	105½	106½
Komatsu 6½pc 1984	101	102
Michelin 6pc 1985	107	108
Murphy 5pc 1989	83½	84½
Owens Illinois 5pc 1977	102½	103½
Pepsico 4½pc 1981	123½	124½
Rand Selection 6½pc 1986	103½	104½
Revlon 4½pc 1983	102	103
Suez 7pc 1985	100	101
Texaco 4½pc 1988	87	88
20th Century Fox 5pc 1987	57	58
Union Carbide 4½pc 1982	92½	93½
Source: Kidder, Peabody Securities.		

U.S. CORPORATE EXPANSION

Del Monte breaks away from the can image

BY ART GARCIA, CALIFORNIA CORRESPONDENT

DEL MONTE CORP., the world's biggest canner of foods, is broadening its operating base and sharpening its image on its way to reaching $1,000m. in sales within the next five years.

"Our business isn't just canning, it's feeding people," points out Alfred Eames Jr., chairman of the Board and chief executive of the San Francisco-based company whose brand name was introduced in Europe in 1897 and whose label appears on store shelves in more than 100 countries.

Diversity

"We happen to be canners because growing numbers of people throughout the world need and depend on canned goods," he continues. "But we're also restaurateurs, institutional food managers, caterers, producers of snack foods, container manufacturers, fresh fruit growers and exporters, truckers and air freight forwarders, land developers and experts in a variety of industrial services."

Mr. Eames says Del Monte's "corporate game plan" calls for continuing development based on the company's "established strength" in producing, distributing and marketing food. "Within that framework, we will continue to explore specific opportunities offering the potential for above-average earnings growth."

Del Monte, which has operations in 22 countries outside the U.S., recently reported a 16 per cent. gain in earnings for the fiscal year ended May 31, profits climbing to $21.2m., or $1.78 per share, from restated 1970 operating earnings of $18.3m., or $1.52 per share. Record May sales boosted the diversified food company's 1971 revenues over the $750m. mark to $751.9m., up seven per cent. from the prior year's $702.8m.

"We're continuing to feel the wage-price squeeze in all our operations," Mr. Eames says, "but the problem that plagued us most in the past two years, industry over-production of fruits and vegetables, has been pretty well cleaned up. Except for some build-up in canned peaches, fruit cocktail and pineapple, industry supplies are in good balance with expected demand."

He claims export sales of bananas and fresh fruit from Costa Rica and the Philippines increased 41 per cent. "We're very pleased with the growth of our U.S. and Japanese fresh fruit markets and are beginning shipments of Costa Rican bananas to Europe," he adds. Del Monte also reports completing an agreement to buy a minimum of 4m. boxes of bananas from United Brands Company. The proposed acquisition of United's Guatemala banana operations, however, remains subject to Guatemalan government approval.

The final tally of fiscal 1971 operating figures has not been completed, but in fiscal 1970 Del Monte's international sales, including U.S. exports, Canadian operations and overseas production, were $135m., or about 20 per cent. of the company's total sales that year.

Revenues from overseas, excluding Canada, have been growing at about 10 per cent. a year for the past five years and Mr. Eames expects the growth to continue at more than double the domestic rate. Canadian growth, meanwhile, should be more in line with domestic sales.

Opportunities

"Like many other multinational organisations, we view geographic diversification as more than an economic hedge," says Mr. Eames. "The developing nations of the world provide a receptive climate for Del Monte's agricultural, technical and marketing know-how. International trade offers an enormous, fast-growing market for our established products."

Del Monte operates facilities "in such key areas" as the U.K., the Common Market countries, Latin America, Africa and the Philippines, he notes, adding, "in nearly all our markets, the Del Monte name is well known—if not the leading brand." The company's Puerto Rican tuna packing subsidiary has "enjoyed thriving good health" under Puerto Rican favourable tax treatment and its long-established Philippines operations "are taking on new significance" as a strategic base for supplying fast-growing Japanese and Far Eastern markets, he says.

"At the same time," concedes Mr. Eames, "we have experienced the usual frustrations typical of a fast-growing international operation—problems in achieving initial market penetration, heavy start-up expenses and, at the outset, below-average productivity."

Growth goal

One of the company's current growth goals is expanding its worldwide fresh fruit business. Del Monte's West Indies Fruit Company subsidiary grows bananas and exports them to the eastern two-thirds of the U.S. and Canada. Sales in fiscal 1971 topped $17m. and should more than double within five years.

"We only recently began exporting bananas to Japan," says Mr. Eames, but "from a narrow base, sales have grown at a spectacular rate. Although we don't expect to maintain this rate, by 1975 we do anticipate having a substantial share of the Japanese market," to be served by the company's base in the Phillipines.

"In addition to major pineapple plantations in the Phillipines and Hawaii, the company has recently expanded pineapple cultivation in Kenya and is currently exporting some fresh pineapple from Kenya to European markets and from the Phillipines to Japan and the Far East. By 1975, Del Monte expects these areas to become prime sources of pineapple and other fresh produce."

... BRIEF

Europe

...OLINCO, Dutch investment ..., plans to raise its capital ... 1,488.7m. from Fl.444.3m. ... with one-for-10 free issue of ... nominal shares on August 2. ... also said that for year ended ... 31 it proposes to raise dividend to Fl.3.0. from Fl.2.0. with ... being made on increased .... Net profit for year rose ... 40.1m. from Fl.27.2m.

...TILICO net profit rose to ...m. in year ended June 30 last ... Fl.3.8m. Dutch investment ... proposes to raise its dividend ... 4.60 from Fl.4.40.

...G-TELEFUNKEN, West German electrical concern, sold its ... holding of over 25 per cent. ... Hochtief, Essen construction ..., to unnamed "group of ... holders." Hochtief's other ... shareholders are RWE, Essen power concern (over 33 per cent.) and Commerzbank (about 11 per cent.). It is understood that as result of AEG sale, Commerzbank will raise its stake to over 25 per cent.

North America

● AMERICAN EXPRESS consolidated net income for first half of 1971 rose 22.3 per cent. to $42.9m. ($1.80 per share). Earnings of travel and financial service activities (other than insurance) rose 13.8 per cent. to $20.7m. Fireman's Fund American insurance subsidiaries net income rose 31.4 per cent. to $22.2m.

● AMERICAN CYANAMID reported 8 per cent. increase in earnings for second quarter of 1971 compared with same period last year on restated basis, while sales rose 3 per cent. Second quarter earnings totalled $24.447m., or 51 cents per share, against $22.613m. (47 cents). Worldwide second quarter sales were $339.9m., compared with $328.8m. Earnings for first half of 1971 were $47.447m. (99 cents), 7 per cent. lower, while sales rose slightly to $647.3m.

● PEPSICO sales in second quarter ending June 12 reached $285.4m., up 11 per cent. over last year's total. Net income increased 12 per cent. to $14.798m. For first half of year, sales rose 10 per cent., to $529.5m., while net income totalled $25.204m., up 9 per cent.

Others

● CUSTOM CREDIT CORP., of Australia, reports after-tax profit for year to June 30 last rose to $(Aust.)7.218m. from $5.724m. on gross receivables $51.9m. higher at $323.1m.

BIDS AND DEALS

Fairey's Canadian sale

...sale of its Canadian property ... a revaluation of the site at ...on were announced by the ...y Co. yesterday.

... freehold and leasehold ...rties of Fairey Canada, ... operations were closed ... in March, 1970, have been ... for $C1.7m. (£690,000) against ... book value at March, 1971, of ...06,000 (£1.46m.).

...ring the year part of the ...perty was let for a net rental ... $C137,000 (£55,600) a year ... will continue to accrue to ...y.

...e sale virtually completes the ...ation of the assets of Fairey ...da and it is now proposed to ...e the capital of the Canadian ...diaries by $C1.5m. (£610,000) ...h will leave only a small ...ce of cash remaining in ...da.

...he funds thus generated—... allowing for minority share... of 4 per cent.—will be ...tted to the parent concern in ...U.K. where they will be used ... profitably for financing the ...ned expansion of the group," ...atement declared.

...velopment plans are in hand ... the Heston site which was ...ally in the books at 1962 ...tion and the revaluation is ...,390,000 which, after allowing ... the loss on the Canadian ...erties, has resulted in a net ...lus of £478,000 being taken ...t to the reserves.

EXTEL DEAL WITH INFOREX

...change Telegraph Company ... Inforex, Inc., an American ...d manufacturer of computer ...ional and data processing ...pment, have reached agreement in principle under which ... will be appointed the exclusive distributor for Inforex key ...y equipment in the U.K. and ...ind and will provide sales and ...ice support.

...is operation will be handled ... Extel's data systems and ...neering divisions. The agreement is subject to Extel acquiring ... Inforex related interests of ...puter and Systems Engineer... the previous distributor.

ASSOCIATES DEALS

...orris Oakley Richardson and ...er yesterday bought on ...alf of an associate 10,000 ...ard at 204p.

...lomon bought 40,000 Cunard ... 02½p average for an associate. ...zenove bought on behalf of ... associate of Watney Mann ...00 Truman Hanbury at 416p; ... on behalf of an associate ...00 Grand Metropolitan at 193p ... sold on behalf of an associate ... Watney Mann 5,000 Grand ...ropolitan at 193p xd.

...nmure Gordon purchased on ...alf of associates of Grand Met...litan Motels 10,000 Ordinary ...Truman Hanbury at an average ...e of 416p.

...othschilds has sold in assented ...n to another associate of ...hschild Investment Trust at ...p per share the 595,000 S. H. ...son (Holdings) shares which, as recently announced, it has purchased as an associate of RIT. The same associate has now sold, through Greenwell and Co., to an institutional investor 59,500 Ordinary and £273,700 Conv. Unsecured loan stock in RIT at 450p per share and 141½p respectively.

SIH REGROUPS INSURANCE BUSINESSES

Shipping Industrial Holdings is transferring all the shares of the insurance underwriting interests to a new holding company, Landel Insurance Holdings. The interests concerned are the three insurance companies; the Dominion Insurance, British Merchants' Insurance and the Trident Insurance; underwriting agencies in the U.K. and U.S. and the Roy J. M. Merrett underwriting agency companies.

The new group will provide a worldwide span of underwriting interests and will cover all branches of insurance; it will be the responsibility of the Board of the new company to co-relate all these activities and generally to be responsible for the development of the group.

It is the further intention, in due course, to merge Dominion Insurance and British Merchants' Insurance, now that SIH has acquired the minority shareholding, into one insurance company under the name of the Dominion Insurance Company. Trident Insurance will continue to operate as a separate company.

MILLAR AND LANG SAYS DON'T SELL

Directors of Millar and Lang, the Glasgow art publishers, confirm that the private group Mount Securities has made an approach with an offer of 50p a share and state they do not intend to accept in respect of their "very substantial" personal holdings.

They particularly have in mind that the net value of the current assets of M and L as shown in the latest balance-sheet greatly exceeded the issued capital and "this does not take into account the value of fixed assets."

The directors also report "a considerable improvement" in the company's position during the past financial year, details of which will soon be issued to stockholders who are meanwhile advised to retain their shares.

BLUEMEL

On behalf of Bristol Street Group, Samuel Montagu has written to shareholders in Bluemel urging them to accept the Bristol offer in spite of strong opposition from the Bluemel Board.

The six point document claims that the Bristol bid offers an increase in capital value of 23 per cent., and that Bristol has a better performance record than Bluemel. It claims that the Bluemel Board's contention that accepting shareholders will suffer a reduction in income does not stand up if a realistic rate of interest is taken for re-investment of the cash element of the offer.

SHERATON SELLS LEVERS SHARES

The holding in Levers Optical Company previously owned by Sheraton Investments has been sold to another private property and investment group, HAMEG, which is headed by estate agent Mr. A. Perloff.

HAMEG, through its subsidiary HAEG Property, acquired 72,000 Levers shares at 40p each and bought a further 2,000 in the market at the same price—giving it 18½ per cent. of the Levers capital.

Sheraton started bid talks with Levers but these were called off in May. Mr. Perloff said yesterday his group was not intent on making a bid for Levers and would not even press for Boardroom representation.

"We think the company has potential and has prospects of doing very well in the future," he added. It was decided to announce the HAEG holding because "the Levers shares seem to have been changing hands at much more than they are worth," he added.

Last night the Levers Ordinary closed unchanged at 48p.

DOLLAND-C. BROWN

In a letter accompanying the formal offer for Clifford Brown by Dolland and Aitchison, the Gallaher subsidiary, Mr. R. Clifford Brown, chairman, says that the directors and their families owning 42 per cent. of the capital will accept and certain other shareholders controlling about 18 per cent. will do likewise. First closing date is August 17.

APPROACH TO EAST KILBRIDE DAIRY

Shares in East Kilbride Dairy Farmers, the group which distributes and makes milk products largely in Glasgow, rose 12p to 70p yesterday following a statement that talks are going on which might lead to a bid. At this level the group has a market value of £1.1m.

The Board, headed by Mr. J. Cole-Hamilton, advises shareholders not to sell until a further announcement is made.

MILES REDFERN: 32% OPPOSE BID

Rejecting as inadequate the revised bid from British Vita, Mr. John Douglas, chairman of Miles Redfern reports that the directors expect sharply increased profits in the current year 1971.

Pre-tax profits should be not less than £530,000 compared with the £170,000 for the previous 12 months.

Mr. Douglas also reveals that the MR directors, who own or control 14 per cent. of the capital, will not accept the bid and that family trusts and other shareholders who own or control another 20 per cent. had also said they will not accept.

SUNGEI RINCHING

Seafield Amalgamated Rubber's offer for SUNGEI RINCHING RUBBER has been declared unconditional. Seafield now owns 77 per cent. of Rinching. As already announced, the alternative cash option will not be extended beyond July 30.

E. DINGLE

House of Fraser's revised and recommended offer for the Ordinary capital of E. Dingle and Co., has now been accepted in respect of over 50 per cent. of the shares. House of Fraser intends that, subject to the passing of the resolution for the increase of capital on Thursday, the offer will be declared unconditional that day, the closing date of the increased offer.

Acceptances have been received in respect of over 90 per cent. of the Preference capital and is also the intention that this offer be declared unconditional on that day.

ROTHSCHILD £4.9M. FOR ORIENT & GENERAL

Rothschild Investment Trust is back on the acquisition trail with an agreed offer worth just under £4.9m. for Orient and General Investment Trust. It is in 6½ per cent. convertible unsecured loan stock, and values Orient at 32.5p a share, representing full net asset value.

Two companies, R. G. Shaw, and Kempas (Malaya) Berhad, have agreed to accept the bid in respect of 52.7 per cent. of the capital, and the Orient Board intends to accept in respect of a further 1.1 per cent.

After the offer goes unconditional Orient will sell, subject to shareholders' approval, certain investments to Shaw and to Sime Darby Holdings in exchange for shares. On completion of these transactions RIT will hold 10 per cent. of the Shaw equity and 2¾ per cent. of Sime Darby equity.

In turn Shaw already holds 45 per cent. of Sime Darby, which has significant trading interests in the Far East, particularly in Singapore and Malaysia. Shaw will also have a stake in RIT as a result of the Orient offer, the bulk of which it will retain as a long-term investment. It is hoped by the parties to these agreements that the interlocking shareholding will lead to "further mutually advantageous relationships in the future."

CRODA-FLEMING

The agreed offer from Croda International for A. B. Fleming (Holdings) has now been sent out and the first closing date is August 17.

RESULTS AND ACCOUNTS IN BRIEF

ASSOCIATED TOOLING INDUSTRIES—Results for year ended February 28, 1971, reported July 16, with director's comments. Group fixed assets £533,464 (£721,426). Net current assets £27,124 (£66,767). Meeting, Winchester House, August 17, at noon.

COHEN AND WILKS (HOLDINGS) (manufacturers of men's weatherwear and made to measure and stock clothing)—No Ordinary dividend for 1970 (same). Preference dividend paid. Loss £6,824 (profit £30,333). Tax nil (£4,072).

INDUSTRIAL MIDLANDS INVESTMENT TRUST: Results 1970 reported July 22. Investments £395,467 (£437,047) comprising U.K. quoted £361,642 (£395,435) value £369,010 (£395,435) and overseas quoted £31,825 (£41,612) value £32,659 (£41,612). Board now more active in providing venture capital for promising newly established enterprises which have not yet acquired Stock Exchange quotations. Shareholders are advised that the concentration of holdings has resulted in the largest quoted investment—in Grendon Securities—reaching a market value which at the end of the financial year was approximately 25 per cent. of the portfolio and which has shown further considerable appreciation. This has resulted in a re-designation of Industrial Midlands which has ceased to be an Investment Trust. The Board is strongly of the opinion that tax advantages which may be lost are far outweighed by the greater flexibility which will now be enjoyed in being able to take the fullest advantage of opportunities for capital appreciation. Directors feel the very substantial distribution of earnings customary for an Investment Trust is no longer appropriate and that interests will be best served by adopting policy of retaining a high proportion of available earnings. Meeting, 19, Upper Grosvenor Street, W., August 16 at 11.30 a.m.

A. AND H. MELTZER (HOLDINGS)—ladies' fashion footwear—results 1970 reported July 17. Group fixed assets £177,264 (£179,935), net current assets £120,430 (£103,433). Postal strike reduced mail orders but it is hoped leeway will be made up by year end. All directors and families waived dividend on 421,912 initial shares. Meeting, Alexandra National Hotel, N., August 19 at 11 a.m.

MODERNA MODERNA (blanket and cloth manufacturers)—Dividend 12 per cent. (10 per cent. for year to May 2, 1971. Net profit after tax £38,289 (£26,714). Tax £14,391 (£690) after relief for past losses £440 (£8,100).

PREMIER INVESTMENT—Interim dividend 8 per cent. (same for 11 months to December 31, 1970—total 24 per cent.). Gross income for six months to June 30, 1971, £408,900 (£421,100). Net revenue before tax £300,100 (£343,400) after expenses and interest of £108,800 (£77,700). Net asset value per 25p Ordinary share 174p (148p).

RIPPERS (woodworkers)—Results for year to April 3, 1971, reported July 15. Fixed assets £404,829 (£388,056). Net current assets £34,991 (£110,331). Chairman says contracts have been exchanged for sale of some 00 houses at a price which will yield surplus of some £70,000. Effect of transaction will be brought into accounts during current year while proceeds are available both in reduction of bank borrowing with a consequential saving in high interest charges and in provide finance for technical improvement to the factory. Objective is to make joinery profits and all efforts are directed towards that end. In spite of regrettable results for 1970-71 he feels confident that this objective which has been achieved in first two months of current year will continue to be achieved in months ahead. Meeting, Sible Hedingham, August 17, at noon.

SMITH HOLDINGS (WHITWORTH)—textile machinery manufacturers—Results for year to March 31, 1971, reported June 8. Fixed assets, £56,651 (£59,889). Net current assets, £166,696 (£163,564). Chairman says orders at a very high level and he expects increased profitability in current year. Meeting, Samford, Rochdale, August 17 at 11.30 a.m.

U.C. INVESTMENTS—Interim dividend 4 per cent. (same—total 12 per cent.). For six months ended June 30, 1971, dividends and interest (R000 omitted) R1,674 (R1,704 and year 1970 R3,291), realised profit on investments R381 (R1 and R104), sundry revenue R55 (R14 and R28) making R2,110 (R1,719 and R3,423). Sundry expenditure, etc., R58 (R36 and R74), directors' fees R15 (R15 and R30), off investments and public autority securities nil (same and R375), interest paid R47 (R49 and R99), leaving profit before tax R1,996 (R1,619 and R2,845). To tax R148 (nil and nil). Net profit R1,848 (R1,618 and R2,845). It should not be assumed that results for half year will necessarily be repeated in half year ending December 31, 1971, since income from investments does not accrue evenly throughout year and profits and losses on realisation of investments are subject to wide variations. Assets at June 30, 1971, were property and prospecting expenditure R1,032, investments R27,502, valuation R41,822, current assets less current liabilities and long-term loan R453. No provision made in half-yearly figures for writing down of investments as this provision is calculated at year-end and is related to market prices ruling at that date.

WESTON FOOD (controlled by Associated British Foods)—Sales, year to April 3, 1971, £20,419,000 (£19,640,000). Profit £1,063,000 (£699,000) before tax £415,000 (£360,000). Ordinary dividend £475,000 (£394,000). Profit retained £161,000. (Transfer from reserves £67,000.)

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Vehicle and General Tribunal of Inquiry

"DTI was unhappy about group's empire building"

THE Tribunal inquiring into the collapse of the Vehicle and General Insurance Company was told yesterday that the Department of Trade and Industry had been unhappy about the company's "empire building."

Mr. Cyril Homewood, an Assistant Secretary in the department, was being questioned by Mr. John Arnold, QC, counsel for the tribunal, who drew attention to a situation which he said the department had been faced with "time and again" in their dealings with the V & G company.

He said to Mr. Homewood: "When you drew attention, quite rightly, to the fact that they were under-capitalised they would then have a public issue or rights issue and therefore they had more capital subscribed. And the next thing that happened was that they had an expansion, so that instead of having more working capital they had a larger empire."

Mr. Arnold who suggested that this was a problem that recurred time and again, asked Mr. Homewood: "What effect did this have on the *way you looked* at things."

Working capital

Mr. Homewood replied: "It was clear from the record that we were unhappy about that empire building. The purpose of our urging them to bring in more capital was, as you suggested, that they should be better provided with working capital for their operations."

Mr. Homewood was asked by Mr. Michael Kerr, QC, a member of the tribunal, about examination instructions. He asked why they did not take a ratio of ... per cent., and bear in mind management expenses of about ... per cent.

Mr. Homewood told him that ... industry results were an average for all British Insurance Association members. He did ... mean that every member made a loss in 1963 or 1966. There was considerable variation. Some companies probably made a profit and others a loss. Figures on individual companies could be produced if necessary. They looked at the claims-to-premiums ratio and consider whether there was good reason ... this to depart from the average of the industry, and also the expenses ratio, and the return from investments, which ... to come into the equation.

Mr. Kerr asked "If the claims-premium ratio was 60 to 70 per cent., and you add, say, 10 per cent. for management expenses, is ... too little?"

Mr. Homewood said the underwriting profit would be obtained if the claims-to-premium ratio ... significantly less than the average of 65 per cent. and the expenses ratio significantly less than the average of 35 per cent. ... two together created equilibrium.

Normal value

Tribunal member, Mr. Sydney ...leman, QC, drew a parallel ... questioning of Mr. Homewood ... to the sale of an office desk ... £200, which could be sold ...00 by a landlord with powers of restraint, should the company owning it become hard pressed.

Which value would be taken when calculating a solvency margin—one under normal, or forced, circumstances?

Mr. Homewood told him they had taken the view it was right to take the value which could be realised under normal circumstances.

Mr. Arnold then asked him: "In all the years from 1961 up to 1971 the department had no useful function to perform in checking *the reserves* for outstanding claims at all?"

Mr. Homewood: "That is an overstatement, but I do say that it has not been possible to verify the estimates made by the companies with an adequate degree of precision."

Mr. Arnold said he had understood Mr. Homewood to say that they could only accept an estimation of the company's estimate. Mr. Homewood said that one could only apply a highly subjective judgment.

Asked what judgment had been applied to the sufficiency of the outstanding claims estimate of V & G on December 31, 1963, he replied: "The same as in other years—a judgment as to the value of the assets and judgment as to the reality and adequacy of the provisions for outstanding liabilities."

Mr. Arnold then asked what judgment had been applied to the adequacy of the outstanding claims provisions at December 31.

Mr. Homewood said they had taken account of the evident differences between V & G and other companies in the market and tried to evaluate the explanations offered for those differences.

Mr. Arnold: "And what conclusions did you reach?"

Mr. Homewood said the explanations were plausible but "we had no means of quantifying the effect of these various factors."

Asked if they had made any adjustment regarding outstanding claims provision, he said he did not recall but the tribunal might remember it had come out in earlier evidence, from Mr. Nail (another department witness).

Mr. Homewood, further questioned by Mr. Arnold, said that in 1965 the department repeatedly asked V & G for run-off statements.

Mr. Arnold then alleged that that year they had issued a letter saying they were satisfied with V & G's solvency margin "in a state of total doubt and ignorance."

Mr. Homewood replied: "In a state of *uncertainty* as to whether the provision for outstanding claims might be adequate, but in the face of a substantial excess of assets over liabilities."

Accountants' report

Mr. Arnold referred to a report by Cooper Brothers, the firm of specialist accountants called in to examine V & G's accounts, which said that there were serious doubts in their minds as to the adequacy of V & G's provision for outstanding claims, and that the company should be pressed strongly for the 1962 and 1963 run-off statements requested in 1964 and which had apparently not been produced to the department.

Mr. Homewood said that after this the department asked that the 1964 V & G accounts should be accompanied by a run-off statement covering the preceding years. In August, 1965, they received from the company a run-off which went some way towards this.

Mr. Arnold asked: "Did you consider that the document you received in August, 1965, constituted the 1962-63 run-off statements as requested."

Mr. Homewood: "It has been made perfectly clear that we did not. But it was better than nothing."

Mr. Homewood said that they pressed in subsequent years for this but with no success at all. The company said that the form of their records were such that they would find it virtually impossible to produce this information.

Mr. Arnold: "I suggest that the information the company gave you in the form of their records did not touch the 1962-63 years of account."

Mr. Homewood replied that this was possible but it was in no way an unusual claim.

Finding excuses

Mr. Arnold asked Mr. Homewood: "Your ingenuity had been bent towards *finding excuses* for taking no action about V & G rather than to seeing how you could benefit from the advice of Cooper Brothers?"

Mr. Homewood: "On the contrary, if there was any bending of our ingenuity it was in the opposite direction."

Mr. Kerr asked Mr. Homewood: "Did it ever occur to you that something might be gained by appointing an inspector to consider the system which the company was operating, if any, in order to ensure that outstanding claims were safeguarded to an adequate extent?"

Mr. Homewood replied: "I do not think this possibly could be brought into *consideration* unless the total doubts one had added up to a serious doubt about the company's solvency."

Basis of trust

Mr. Kerr: "Did it ever occur to the Department that where a company is reinsured, information about the adequacy of its reserves to outstanding claims might be obtainable by asking the company to supply information to the Department in the same way as it supplied information to its reinsurers?"

Mr. Homewood said that that would have been of very little value because *reinsurance* arrangements were in general conducted very largely on the basis of trust.

Mr. Kerr: "Was any thought ever given to the possibility of obtaining some assistance about the claims experienced of the company, by inquiry into the information given to its reinsurers?"

Mr. Homewood replied: "We did not think it was proper to go direct to the re-insurers without the company's consent. If we considered it at all we would have come to the conclusion that the information likely to be obtained from the re-insurers would be limited."

He added that his comments were intended to be general comments on the practice of the industry. He did not know whether V & G did supply information to its re-insurers.

The inquiry resumes to-day.

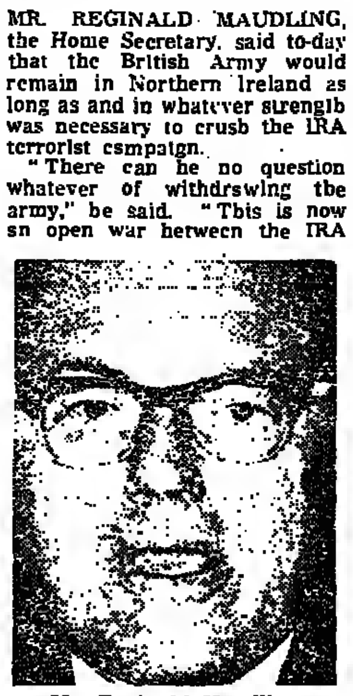
We will crush IRA—Maudling

BY OUR OWN CORRESPONDENT

BELFAST, July 27.

MR. REGINALD MAUDLING, the Home Secretary, said to-day that the British Army would remain in Northern Ireland as long as and in whatever strength was necessary to crush the IRA terrorist campaign.

"There can be no question whatever of withdrawing the army," he said. "This is now an open war between the IRA and the security forces. Quite clearly no Government of the U.K. can allow the IRA to win.



Mr. Reginald Maudling

"We will ensure that the army has all the resources necessary to win. As in every campaign there will be setbacks. But in the end the defeat of the IRA is inevitable."

Mr. Maudling, whose views were given in an interview with the Belfast Telegraph, was speaking on the eve of a meeting of the Conservative Home Affairs Committee at which a number of Tory back-benchers are expected to be critical of his handling of the Ulster situation.

"I dislike intensely the idea of imprisonment without trial, but I dislike even more murder and terrorism," he said. "The decision to intern lies with the Northern Ireland Government, but it is agreed between us that this is clearly a matter of common interest.

"I believe that any decision to intern in the present circumstances must rest on the assessment in the first instance of the security authorities and then by Ministers in both governments on whether internment will produce beneficial results."

Defence force

Mr. Maudling indicated that the possibility of raising a full-time battalion of the Ulster Defence Regiment was still under consideration. But he ruled out the creation of any other type of force on the lines of the former B Specials under Stormont control. "It is accepted by both governments that within the U.K. there is no room for any armed force to support the police other than those forces under the control of the British Army."

The Home Secretary said that Mr. Faulkner as Ulster Premier had the full confidence and support of the government in London. I would not therefore like to contemplate the possibility of anyone else replacing him."

Gramophone records output rise goes on

FINANCIAL TIMES REPORTER

THE STEADY growth in production of gramophone records which has been an annual feature of recent years continued in the first four months of this year, for which official figures have just been issued.

Total output of discs has advanced month by month, and for the January-April period reached an aggregate of 39.28m., against 37.55m. in 1970. All the increase was in LPs, which accounted for 23.27m. of the total, with 45rpm discs pressed totalling just over 16m.

Disc sales by manufacturers, exclusive of taxes, discounts and commissions, rose to a record level of £12.64m. for the four months, compared with £12.12m. last year.

After showing in each month of the first quarter an improvement on 1970, exports in April fell back to £472,000 but for the four months there was still a 3 per cent. gain on January-April last year to £1.96m., compared with £1.90m.

Home sales in April alone were 12 per cent. higher at £2.77m. than in the same month of 1970.

Approval for Norwegian steelworks in U.K.

BY DAVID WALKER

OFFICIAL CONFIRMATION that the Government has given qualified approval to plans for an £8m. Norwegian-owned steelworks in the U.K. has been given by Sir John Eden, Minister for Industry. The plant has been proposed by Christiania Spigerwerk, one of Norway's largest companies with a 1970 turnover approaching £40m.

"The company has been told that consent will be granted if it finds a site acceptable on distribution of Industry grounds." Sir John stated in a written answer in the Commons.

Overseas capital

The Christiania Spigerwerk move represented the first of its kind since Mr. John Davies, Secretary for Trade and Industry, indicated in June that the Government was prepared to accept overseas capital in the U.K. steel industry.

No final decision on whether to go ahead with the proposal is expected from the Norwegians till the autumn. Sites in the Midlands and Northern Ireland are known to have been examined by the company.

Among those under consideration has been the Chesterfield plant of Sheepbridge Rolling Mills, which closed in February eight months after its parent company, J. Beardshaw and Son, went into voluntary liquidation.

The plant, machinery, land and buildings there are now being advertised for sale by Mr. J. K. Mather, the receiver.

Christiania Spigerwerk is already involved in Britain through its 50 per cent. owned associate, King's Lynn Steel. If its latest project goes ahead, that, too, would be a part-owned venture, with U.K. concerns holding a minority stake in the business.

The plant would manufacture reinforced steel bars and rods for the building and civil engineering industries with an annual capacity of 150,000 tons. Its comparative smallness means that little opposition to it is likely from the British Steel Corporation, even if BSC were in a position to to object following Mr. Davies' policy statement.

Toiletries sales up 17% in first quarter

FINANCIAL TIMES REPORTER

MANUFACTURERS' SALES of toilet preparations in the first quarter of 1971, valued at £32.3m., were *17 per cent. higher* than in the first three months of last year.

Figures from the Department of Trade and Industry show that sales to the U.K. market showed increases in nearly all sectors, including hair preparations, make-up, treatment creams and lotions and toilet preparations for men. The exceptions were perfumes and toilet waters which showed a slight fall in sales.

Major sales increases were recorded for dental preparations, which showed a 37 per cent. rise over the same period last year and were valued at £4.5m.

The rising sales pattern for men's toilet preparations continued in the first quarter and a 27 per cent. increase was recorded. Sales in this sector were valued at £2.2m., against £1.7m. in the first three months of 1970.

Rise in exports

Export sales of all toilet preparations during the same period increased by 10 per cent. and were valued at £4.6m.

If allowance is made for an increase of 8 per cent. in wholesale prices, it is estimated that the total volume of sales of toilet preparations in the first quarter was 9 per cent. greater than in the same period last year.

...rust Houses Forte ...eace moves go on

... SANDY McLACHLAN

...RTS were continuing ...day to find a peaceful ...n to the deep rift in the ... Houses Forte Board. Lord ...g, chairman of the Trust ... Forte Council, has seen ... sides and said yesterday ...oth appeared anxious to ... a solution.

... split became public last ... when a group of directors ...d by Sir Charles Forte, THF deputy chairman, ...led in voting Mr. Michael ... out of his position of ...og director, despite ...ion from Lord Crowther, ...an, and other directors ... old Trust Houses Group. Mr. Pickard remains a director.

The views of the Council, which acts as trustees, are of crucial significance since it controls 50 per cent. of the votes in the company.

An extended cooling-off period may well be in prospect. The Council is thought to feel that it might be best if the status quo was maintained until it is known whether the Department of Trade and Industry Inspectors' report on ILSC is allowed to stand by the courts. The report is being challenged by Mr. Pickard through British Printing Corporation.

Battle over soccer club's future settled

A HIGH Court battle over the future of Manchester City Football Club was settled yesterday.

An action by the club seeking injunctions against a former vice-chairman, Mr. Frank Ralph Johnson, was withdrawn by consent, and Mr. Johnson was released from interim undertakings given last January.

These were not to exercise voting rights attached to his 500 shares in the club to remove any directors from office or appoint any new directors, or to vote against the re-election of any director.

Yesterday, Mr. Kenneth Suenson-Taylor, QC for the Club, told the Vice-Chancellor, Sir John Pennycuick: "The parties have now agreed terms upon which the action will be settled."

The action would be stayed, with no order as to costs, and the record of the action would be withdrawn.

Mr. Suenson-Taylor said the club's statement of claim against Mr. Johnson was amended in March, but he added: "The plaintiffs have withdrawn all the allegations made in the amended

POCKET GUIDE TO BRITAIN'S ECONOMY

A NEW edition of the official pocket guide to Britain's economy is now available. Prepared by the Central Statistical Office on behalf of the Government Statistical Service, Britain's Economy in Figures provides a useful aide-memoire for exporters, businessmen, educationists and others who may want to refer to recent trends in the economy.

Figures from over 60 key economic series covering the years 1964, 1969 and 1970 are included on the plastic card. It is available free from the CSO or regional offices of the Department of Trade and Industry.

MAIL ORDER GROUP CUTS PRICES

Across the board reductions in retail prices are being made by John Myers, the Manchester-based mail order group, as a result of the recently announced purchase tax reductions. Thousands of items are involved.

A midi-length leather coat comes down from £49.50 to £48.95, a stereo radiogram from £78 to £75.30 and a three-piece Terylene and worsted suit from £25.95 to £25.66.

...orth West looks for ...nproved use of airports

...OUR OWN CORRESPONDENT

LIVERPOOL, July 27.

THE North West Committee ... Civil Aviation met at Liverpool ... to-day, concern was ...d at the continuing ... of services from Heathrow ...port, London.

...aurence Pitkington, the ..., said it was felt that ...nent of the new road network ...ween Liverpool and Manchester ...ould lead to the improved use of both airports. The committee is to stress the need for greater co-operation between Manchester and Liverpool on improved rationalisation of services between the Continent and the North West.

Tour traffic at Liverpool airport had reached 54,000 seats this summer against 32,000 last year, but more support was needed for the thrice-weekly service between Liverpool and Amsterdam which only carried an average of 20 people. That was uneconomic and it had been static for some time.

It would be a good idea, the chairman pointed out, for Liverpool and Amsterdam to get together to develop ways of providing more passenger and freight traffic. There was no intention of suspending the service, and the benefits of Amsterdam were pointed out as a centre for European on-flights and its value if Britain entered the Common Market.

Manchester Airport was also showing increased tour traffic, up to 60 per cent., and work had started on extensions to the terminal buildings. Blackpool airport, too, which carried more passengers to the Isle of Man than Liverpool, was also showing increased business.

U.K. concern aids Israeli aircraft plant

BY OUR OWN CORRESPONDENT

TEL AVIV, July 27.

A NEW aircraft production plant is being planned in Israel. Contacts have been established with the U.K. concern, Britten Norman, with the object of acquiring a proper franchise as well as the technical "know-how" involved.

The plant is to be set up in Carmiel, in Upper Gallilee, by a group of local and foreign investors, headed by Major-General Ezer Weizman, a former Israeli Air Force Commander. The output is expected to reach 30 aircraft a year, involving a £20m. (Israeli) investment.

Passenger machine

The aircraft is a three-engined "Trilander" passenger machine, equipped to carry 18 persons. It is to be assembled in the plant which is manufacturing spare parts for the Israeli aircraft industry. Certain parts of the aircraft, including the engines, will be imported, possibly from Britain. According to General Weizman, the success of the scheme will be determined by orders from abroad.

The State-controlled Israeli Aircraft Industries, near Tel Aviv, is assembling Fouga Magisters for the Israeli Air Force and is engaged in production of the Jet Commodore as well as planning to start commercial production of Arava short-take-off and landing aircraft.

U.K.-ISRAEL FREIGHT RATES TO RISE 12½%

Member lines of the U.K.-Israel shipping conference have announced that, because of "rapidly increasing operating costs" freight rates will be raised from January 1 next year by about 12½ per cent. This increase will absorb the 2½ per cent. fuel surcharge announced on April 21.

APPOINTMENTS

Selincourt Board changes

SELINCOURT has appointed to its Board four managing directors of its subsidiary companies. They are: Mr. A. B. Doust, J. H. Walker and Sons, Mr. J. Goldstein, Taylor Merrymade; Mr. A. Hillel, Suede and Leathercraft; and Mr. D. V. Pick, Walker and Rice (Walric Fabrics).

Mr. J. A. Wilson has resigned from the Board following the recent disposal of the group's retail division of which he was chairman. He will continue in a consultative capacity.

★

Mr. Matthew G. Blair and Mr. R. Derek Halsall have joined the Board of SGB GROUP as part of a rearrangement of the executive structure.

The restructuring is designed to give all operating companies and services within the group representation at Board level following the disbanding of the group management committee.

Mr. Blair joined SGB in 1948 and in addition to his responsibilities for overseas activities, is chairman of SGB Export and Hire Service Shops.

Mr. Halsall has been with SGB for 20 years, for the last 12 of which he has been group secretary.

Mr. L. S. Richards has retired from the Board after 45 years with the company.

★

Mr. J. M. Robotham has been appointed a director of the KWAHU COMPANY and WESTERN SELECTION AND DEVELOPMENT COMPANY.

★

Mr. J. F. Holman, chairman of the International Compressed Air Corporation, has succeeded Mr. A. N. Irens as chairman of the SOUTH WEST ECONOMIC PLANNING COUNCIL.

Mr. Irens, chairman of the council since 1968, has retired on the completion of his term of office.

★

Mr. G. G. J. Davis has joined the Board of the ATLAS STONE COMPANY as a non-executive director.

★

BP CHEMICALS REORGANISATION

The responsibilities of the four executive directors of BP CHEMICALS INTERNATIONAL, which was formed last November by the merging of BP Chemicals Ltd. and BP Chemicals (U.K.), have been reorganised as follows from August 2.

Mr. G. P. Armstrong, who is responsible for research and development and licensing, will additionally take charge of personnel (including industrial relations) and administration.

Mr. J. S. Hunter, director in charge of U.K. operations, becomes responsible for the commercial function world-wide. He remains in charge of the U.K. joint companies and also assumes control of public relations and advertising and purchasing co-ordination.

Mr. H. W. Stero, at present responsible for the co-ordination of overseas companies, will take charge of the company's technical function. He retains his responsibilities for the existing chemical interests in France and Germany.

Mr. H. K. Whalley, director in charge of planning and control and financial co-ordination, will take additional responsibility for the accounts department.

The general managers of the U.K. operating departments, Mr. B. Dougal, speciality chemicals and resins; Mr. R. M. F. Fenning, chemicals; and Dr. K. W. Geddes, plastics, will report to the managing director, Mr. D. G. L. Bean.

In addition to the administrative committee which serves as the company's link with the parent concern, a more widely based management committee is to be formed which will handle day-to-day operations.

★

The following appointments have been made in the subsidiary companies of ALFRED BOOTH AND CO.: Mr. R. Jones becomes deputy managing director of Unit Construction Company and managing director of Booth Mechanical Services; and Mr. G. E. F. Cox becomes deputy managing director of T. and E. Homes, Tickner and Emmerton, Manton Developments, Unit Construction (Southern), and Booth Mechanical Services (Southern).

★

Mr. R. B. Kett has been appointed an executive director of the BATH AND PORTLAND GROUP.

★

Mr. George Hobson, who joined GEORGE DOLAND as adviser to the chairman about six months ago, has been appointed to the Board.

Mr. Frank Plomtree and Mr. R. G. Epstone have joined the Board of the Hepton Group of Companies, George Doland's manufacturing division.

★

The following have been appointed members of the CENTRAL LANCASHIRE NEW TOWN DEVELOPMENT CORPORATION:—

Mr. G. A. Wright, financial director, British Leyland Bus and Truck Division; Mr. J. F. Billings, journalist and former editor of the Preston Herald; Sir Matthew Busby, director and retiring general manager, Manchester United FC; Lord Greenwood of Rossendale, former Labour MP for Rossendale, Minister of Housing and Local Government, 1966-1970; Mr. Thomas Jackson, Alderman of Lancashire County Council; Mrs. Rita Lytton, Deputy Mayor of Preston; Professor Alan Mercer, department of operational research, University of Lancaster; and Mr. B. B. Pugh, director of Hill Samuel and Co., Manchester.

The appointment of Sir Frank Pearson as Chairman of the Corporation was announced in March. Mr. Wright is new appointed deputy chairman.

★

Mr. D. G. Mitchell, vice-chairman and chief executive of Lloyds and Bolsa International Bank, has been appointed chairman of the BANK OF LONDON AND SOUTH AMERICA. Mr. E. Y. Whittle, an executive director of LBI, and Mr. H. E. L. Plant, *a director of LBI*, have been made deputy chairmen of BOLSA.

Mr. R. S. Woodward, an executive director of LBI and a director and general manager of Lloyds Bank Europe, has joined the BOLSA Board.

These appointments have been made as a result of the merger between Bank of London and South America and Lloyds Bank Europe, whereby BOLSA has become a wholly-owned subsidiary of Lloyds and Bolsa International Bank.

★

Members of the Southampton local Board of the BRITISH TRANSPORT DOCKS BOARD, set up in 1968 under the Southampton Harbour Reorganisation Scheme to advise on policy matters affecting the port, have been appointed by the Secretary of State for the Environment for a three-year term of office from August 1.

In consultation with Sir Humphrey Browne, chairman of the Board, the Secretary of State has reappointed all but three of the 16 serving members for the further term.

Three new members have been appointed. They are Mr. P. W. Dear (refinery manager, Fawley); Mr. F. S. Jackson (manager of the fleet management division of Esso Petroleum Company); and Mr. M. P. N. Rowe (manager, commercial division, Pirelli General Cable Works).

★

The following appointments have been made in member companies of GKN CASTINGS: Mr. Jack Ferguson becomes director, financial controller and secretary of Kent Alloys; Mr. Dennis McCarthy has been made director, financial controller and secretary of C. and B. Smith; and Mr. Ronald Smellie is appointed administrative/personnel director of C. and B. Smith.

★

Mr. Peter Blood, for the past 12 years chief executive of ISORA INTEGRATED CEILINGS, is leaving the company to take up the position of director of marketing services at the INSTITUTE OF MARKETING.

Mr. Blood takes up his new appointment early in September and Mr. Desmond Perrett, the present deputy managing director becomes managing director of IIC.

★

Mr. Christopher Wegerif has been appointed to the new post of group marketing director of the BENTLEY ENGINEERING GROUP (Sears Holdings). Mr. Wegerif has been managing director of the Bentley Engineering Company since 1967 and is succeeded in that post by Mr. F. V. Thomason.

Mr. Harry Widdowson and Mr. J. R. Duff have also joined the main Board of the group.

★

Mr. W. T. Barton, having reached normal retirement age, has retired from the Board of RANKS HOVIS McDOUGALL.

★

Mr. Christopher J. Rogers has been appointed sales director—machines of BROOKES (OLDBURY) (Tube Investments).

★

Mr. Roland Bird has joined the Board of MITCHELL CONSTRUCTION HOLDINGS. Mr. Bird is finance director of the Economist Newspaper and deputy chairman of the Economist Intelligence Unit.

★

British Aircraft Corporation has made the following appointments in the sales organisation of BAC COMMERCIAL AIRCRAFT DIVISION: Mr. Derek John has been made director of marketing—responsible for field sales, general sales support and public relations for commercial aircraft including Concorde.

★

Mr. J. P. Thomas becomes director of sales engineering—responsible for sales engineering, market research and operations support on commercial aircraft including Concorde. Mr. E. F. Burgess is now director of sales (Concorde).

★

Mr. J. R. Smith has been appointed a director of NICKOL AUTOMATICS (EMI).

★

Mr. K. J. Cooper has been appointed deputy chairman and Mr. Geoffrey Holman managing director of CLARKSON ARROL (Shipping Industrial Holdings).

★

Mr. Alan G. Lodge has been appointed deputy manager of the London branch of the NORTHERN TRUST COMPANY OF CHICAGO.

★

Mr. Philip Shelbourne has been appointed a director of the CONSOLIDATED TRUST.

★

MR. A. MURRAY REDMAN HEENAN CHIEF EXECUTIVE

A new chief executive has been appointed at REDMAN HEENAN INTERNATIONAL, the Worcester-based engineering group which has been without a managing director since the resignation of Mr. M. H. Gardiner in February this year.

The new chief executive designated executive deputy chairman, is Mr. Angus Murray, mechanical engineer who was previously managing director of Mel... Sales Company Pty.

Redman has also appointed Mr. E. B. Spencer, a chartered accountant, as finance director.

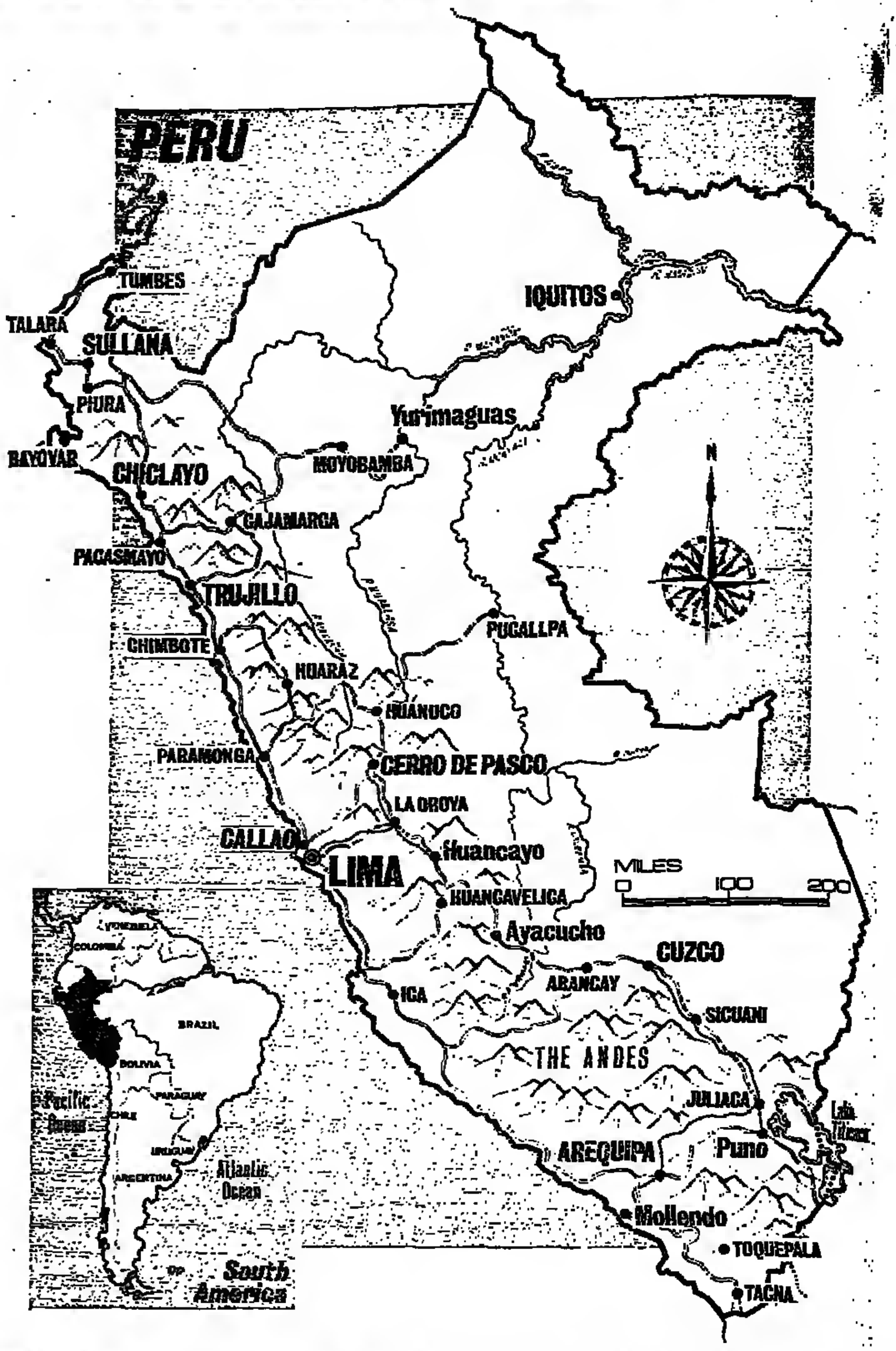
In January Redman announced exceptional irregularities had occurred in the Redman Broughton subsidiary and that it was necessary to write off an exceptional loss of £450,000. This resulted in a drop in pre-tax profits for the year to September 30, 1970, from £835,322 to £254,92..., and in May the group warned there would be a half-time loss in the current year against a pre-tax profit of £354,000 in the same period 12 months ago.

PERU

This survey coincides with the 150th anniversary of the Republic of Peru

Basic Statistics

Area	496,093 square miles
Population	13.6m.
GNP	£1,890m.
Per capita	£139
TRADE (1970)	
Imports	£251m.
Exports	£433m.
Imports from U.K.	£9.9m.
Exports to U.K.	£15.2m.
CURRENCY	£1=105 soles
	$1=44 soles



Revolution against history

By HUGH O'SHAUGHNESSY, Latin America Correspondent

Five years ago in a long and bitter philosophical monologue a friend in Lima lamented to me the supine and spineless character of his country. Peru, he said, had been doomed from the beginning. The man who discovered Peru, Francisco Pizarro, was less of a conquistador like the other nobler figures of 16th century Spanish history, and more of an outright brigand. When he arrived the Inca empire was in the last stages of decay and there was nothing easier than overthrowing it. The indigenous peoples buckled under the Spaniards with hardly a murmur.

First signs

At the times of the Wars of Independence against Spain in the early 1800s Peru had to be liberated by the joint efforts of a Venezuelan, Bolivar, and an Argentinian, San Martin. The first signs of modernisation came in the 19th century, not from the traditional Spanish families but from new generations of immigrants, many of them Germans. Peru was beaten militarily by Chile in the War of the Pacific and thereafter reduced economically by North American interests which were able to take a large share of whatever lucrative activity was being developed, mining or sugar or the great fishing industry. Movements for change, like Victor Raúl Haya de la Torre's APRA party had been bought off or, like the Marxist guerilla groups, suffocated.

The end result, this friend complained, was that economically the country was a semi-colony and socially as near feudalism as one could get in Latin America. It is clear now that in 1966 there were other people in the country who subscribed to the tenor, if not the detail, of my friend's view. These men surfaced and took control of Peru in the military coup of 1968 and have been in power ever since, attempting to put right four centuries of history. Their actions cannot be understood except in the context of an interpretation of Peruvian history such as has been outlined above.

Ever since General Juan Velasco Alvarado and his military companions overthrew the vacillating regime of President Fernand Belaúnde Terry in October, 1968, the drive has been towards "peruanidad," an appreciation of things Peruvian, a definite and uncomplicated nationalism. President Velasco's decisions to take over Jersey Standard Oil's La Brea and Pariñas operation and claim $691m. in back taxes into the bargain, to push territorial limits 200 miles out to sea, to include the assets of the U.S. company W. R. Grace in the agrarian reform expropriations, to oblige the foreign mining companies to develop their assets or get out, to revolutionise the structure of company in favour of the worker and to circumscribe very strictly the operations of foreign banks in Peru, are all manifestations of this nationalism.

It should be clear by now to foreigner and Peruvian alike that for the first time since Pizarro Peru is no longer a country that one visits digs up or bores into and then retires from, loaded with profit.

Panicky attitude

In the first years of the military Government while General Velasco was making his policy clear by his actions it looked as though the panicky attitude of the foreign investor was going to freeze the economy to death. In their first year in office the military could make no improvement in the sluggish growth pattern of Belaúnde's day. and in the three years 1967-69 the economy grew at no more than 1.1 per cent. a year. Last year, under the influence of better fishing results, more credit for industry and higher Government spending, in the end the economy grew by 7.3 per cent. in real terms.

There are now signs that the frigid attitude of foreign investors is passing. With the publication of laws on industrial communities, on fishing and on mining, which are discussed by our Lima correspondent elsewhere in this survey, the foreign investor has a fairly clear idea of the sort of treatment that he is going to get from the Government in future. Despite the important questions still pending between the Government and Jersey Standard, two U.S. oil companies have come to Peru announcing their willingness to spend large amounts of money on exploration and development. Belco Petroleum is to spend $24m. on drilling 56 wells, mostly offshore near Talara, and Occidental is also going to look offshore. Union, Tenneco and Continental are talking to the Government about possibilities of exploration contracts.

Similar things are happening in the mining sector. The mining world was at first scandalised that the Government should be telling the established companies that they would have to give up their concessions if they did not set about exploiting them.

Competitive offers

At the end of last year Michiquillay, Cerro Verde, Quellaveco and Antamina reverted to the State, since the companies which held them could not produce concrete plans for their exploitation. But as in the case of petroleum the Government's attitude to one set of companies does not seem to have affected the interest of others in working in Peru. Currently British Smelter Construction—a consortium of three British companies—and a Belgian group led by the Banque de Paris et des Pays-Bas are putting together competitive offers of finance for the development of Cerro Verde and an associated copper smelter at Ilo.

The Japanese are also interested in putting money into Peruvian mining if this ensures them of raw material supplies. The Velasco Government has sought and obtained the interest of the Russians in capital projects and they have undertaken to assist in setting up a large fishing complex at Bayovar in Northern Peru which would provide many times more fish for human consumption than is being produced at the moment.

Thus there is little danger that the country will be starved of foreign capital if it wants it or of foreign technology. It has passed its lesson on to its partners in the Andean Pact.

Despite the inexperience of the state organisations which are marketing the two main export lines, fishmeal and copper, Peru can count on very good results from her foreign trade which was in very heavy surplus last year. The factor that is disquieting the Government is the heavy schedules for the amortisation and servicing of loans in the next few years. This year Peru must find $190m. and thereafter $205m., $223m. and $183m. each year for foreign creditors. As long as the bottom does not fall out of fishmeal and copper there is no doubt that Peru will have the funds to meet these commitments. However a rescheduling of the foreign debt would allow the Government to devote more foreign exchange to capital imports and thus accelerate the development process. The unwillingness of creditors to grant Peru a longer time to pay, given all the circumstances, is difficult to understand.

This has not discouraged the Government from publishing two months ago an ambitious five-year plan aimed at keeping the growth rate at 7.5 per cent. a year. This calls for investments of $8,000m. of which about a quarter is scheduled to come from external sources. The Government is obviously cautiously optimistic as far as its economic plans are concerned.

The question mark in Lima to-day is rather about what future political plans the Government has got. There is no doubt that the principal measures the Government has taken so far have been very popular with all but a small section of Peruvian society. The reception given to General Velasco himself on a number of occasions is evidence of that. But if the military government is to canalise and benefit from this support it must sooner or later set up some formal organisation. It is clearly an exceedingly difficult task for men of a military turn of mind, more used to giving orders and maintaining "good order and military discipline" than to seeking out opinions and working towards a consensus. The path is made more difficult by the fact that any grass roots organisations are likely to be seized on by the remnants of the APRA party or by the Communists.

The task is nonetheless vital if the different races and social classes in Peru are ever to be welded together into one nation. There is every indication that the Government is thinking seriously about the problem. Its solution would mark the completion in that process of transformation that already has done so much for the country in the past three years.

PERU II

Overall successes of land reforms

By A Correspondent

Io just two yeara and without bloodshed. Peru's revolutionary military government bas expropriated all the large sugar plantations and many of the larger sheep ranches. Output rose, even in the first year, on nost of the expropriated proocrties. And afler a transition period of generally about a year, he generals actually turned over the legal ownership of the plantatinns and some of the 'anches, to production co-operaives representing the respective vorkers.

These are spectacular accomplishments. Even so, some irgent problems are unresolved, nd stresses have begun to ppear. Including beneficiaries of previous laws, 439,000 amilies have land already, and 5,000 more are to benefit each ear until the process is completed in 1975. However, another 500,000 will remain landess.

As reform moves to poorer nd more remote areas, this will equire ever-larger credits and nfrastructure investments, which may strain fiscal reources. The production coperatives have unresolved inernal tensions, especially in the ugar plantations, and the state as maintained close control. And although few foreign companies bave been affected, one egan actions that migbt touch ff retaliation.

In Peru, as in much of Latin merica, traditional agriculture iled to keep pace with tbe 3.1 er cent. annual population rowth. In fact, 1969, output in al terms was barely equal to at of 1962. With half of tbe opulation employed, it only roduces under 15 per cent. of e gross domestic product. Imorts of food, much of whicb ould be produced economically Peru, consume some $150m. arly in foreign exchange, out 20 per cent. of all imports. t the same time, casb incomes farm workers in the Sierra ere too low to make a market r domestic manufactures.

Sugar plantations

Yet seven sugar plantations, cupying about half of the irrited land lo two northern astal provinces, paid good ges, had effective unions, and nerated substantial foreign change and tax revenues for ru. The tecbnology and yields some were among the world's st.

When the generals seized the ntations even reform pronents feared for output. Some the skilled refinery technios left for good jobs in other ar - producing countries. ne the less, the rains were ter than average and 1970 ar exporls exceeded the 1969 re by 155,991 tons, or 52 per t. Total 1970 output was ,902 metric tons, better than 9 although not up to 1967 els, which was another year good rains.

n the Sierra, under interim nagement by state-appointed cial committees, most of the ropriated sheep ranches also well. In ceremonies turning r ranches to co-operatives, Minister of Agriculture phasised the profits, achieved ler the interim management, ich in some cases were over m.Sl.

Between October 3, 1968 eu tbe military took over, l the proclamation of Decree-v 17,716 on June 24, 1969, ippeared that little was bapeing on the agrarian front. The seizure of the International Petroleum Company and the capture of tuna boats fishing without Peruvian licences, monopolised public interest in Lima and abroad.

In January 1969, Cerro de Pasco surrendered its farm land and livestock, long coveted by surrounding Indian communities. Sensing strong popular approval, the generals decided tn accelerate land reform. Their plan calls for expropriation of all large haciendas by 1973, and transporting them to modern organisations with adequate capital, credit and technical assistance, by 1975.

After five months of intense study President Velasco proclaimed the new agrarian reform. It was to replace both latifundia and minifundia with a new structure providing social justice, increased output and productivity, and a secure income for rural workers.

All formalities were accelerated, and the valuation in most cases was that of the owner's 1968 tax declaration.

The new land reform is complemented with a complete water reform, which is on paper even more drastic. Present water allocations, often dating from tbe colonial period, are wiped out. Specifically, anyone with 10 bectares or less will now get water before larger owners get more. When and if implemented, this will lead to a drastic change in power as well as a real income redistribution.

On the legal side, one major inuovation was the organisation of separate agrarian tribunals, with no appeals to the ordinary courts.

The 1969 law limits cash down payments to S/.100,000 ($2,400) for land, and S/.1,000,000 for improvements. However, cash at going market rates is paid for livestock. The bonds have slightly longer maturities than before (such as 20 instead of 18 years and 30 instead of 22 years) with down payment, interest rate and maturity varying with the reason for expropriation.

Finally, the law contains drastic penalties for sabotage, with jail plus fines equal to the valne of expropriated land for owners who dispossess workers, delay barvests and burn crops.

Moving quickly to prevent sabotage or loss of production, Government troubleshooters flew to nine major sugar plantations and refineries in coastal valleys north of Lima. In a couple of days, the operations were completely taken over including the bank accounts. Many plantations had associated livestock operations in the Andean plateaus and mountain valleys; they were expropriated too. In the second year massive expropriations were extended across the rest of the Sierra as well.

Various observers suggest that the reason the Army moved so far and so fast in land reform was largely to prevent the formation of rural guerilla movements. Another goal was to sbatter the APRA Party stronghold in the sugar plantation labour unions. Officially, the Government has steadfastly pledged effective peasant participation in the reform process and in management of the reform co-operatives, and the Indians are now also deemed peasants. In fact, bowever, most reform projects are run by and for the whites and mestizos who were already employed before expropriation. Neighbouring indigenous communities bave been given representation on the highest councils, but their members reportedly cannot get even the seasonal jobs they had before the rancbes were expropriated.

More significant for output, however, was the unprecedented absence of labour problems during the transition. Working days lost were virtually nil, and relations between workers and foremen were remarkably good, as both sought to figure out what was bappening and wbere they stood in it.

In the sugar co-operatives, the internal government establisbed by the land reform is strongly oriented to production and to maintaining the hierarchy of technicians within the enterprise.

Strike leaders

For the field bands, the new plantation management is almost as remote as the old. Worse, strikes are forbidden on grounds that the workers now own the plantations and therefore the only conceivable reason for a strike is to sabotage the agrarian reform. A few strikes bave occurred in any case. Some leaders were jailed, but in a recent case (Cayalti), the Government yielded, recognising certain rights of union stewards.

One part of the land reform law allows owners to divide oversized farms privately. In mid-1970 the workers on the Huando Hacienda struck over such a division of the enormous orange producing estate. The Graña family divided the estate among over 60 relatives and friends, many of them businessmen residing in Lima. The workers argued that the land sbould belong to those wbo till it, and not to persons who see to it that somebody else does.

Eventually, the Government yielded, annulled the Huando division and modified the law to provide for sucb division to give preference to workers on terms similar to those of the land reform. Some 200 other private divisions are now under similar attack.

The Government is seeking to persuade those expropriated to invest in industry. Ex-landowners are invited to discount their bonds at the Industrial Development Bank for up to half of the cost of new industrial projects. While they will not get face value they will get tbe present value of the bonds discounted at the regular interest rate of that bank, usually 14 per cent., less the coupon rate of the bond.

W. R. Grace and Company has not been bappy about the $10m. value tentatively assigned to its expropriated plantations. The Company claims the Paramonga and Cartavio estates are worth more like $24m. and the company asked the U.S. Congress for special consideration in the sugar import quota laws. The version approved by the House Agricultural Committee authorises the President to levy $20 per ton against the payment made to exporters in any country that expropriates a U.S. company without mutually-agreed-upon compensation.

Peruvian Government officials naturally resent this effort to by-pass the appeals process contemplated in the Peruvian agrarian reform laws. If such a clause is enacted and invoked, even Grace admits that it would hurt the land reform beneficiaries by reducing the price of sugar sold to the U.S. under Peru's quota.

At any rate, it appears that Grace top management—as opposed to company officials in Lima—has protested and is unwilling to abide by the appeals procedure in Peruvian law. Grace bas been divesting its South American operations for some time now, and it would like to have the Peruvlan Government buy up those which it bas been unable to sell to anyone else.

The 1969 law and subsequent regulations give the Government authority to expropriate just about all of the land in the Sierra. Hardly any owner will be able to demonstrate compliance with labour legislation, a necessary condition to retain a reserve for bimself. The problem, bowever, is that with present land use methods even 100 per cent. of the land would not be sufficient to give all edigible families access to enough land to meet the income goal set by the Government (nearly $1,000 per family per year). Therefore, land use must be intensified, or the income target lowered.

The Government budget now contemplates sufficient funds for the needed expropriations and debt service, although the cash payment for livestock proved an unexpectedly large burden in 1970. In the future, bowever, the Government may miss the taxes from the sugar eslates (187m.Sl. in 1970); the co-operatives are likely to vote bigher wages, thna eliminating taxable profits.

However, the budget does not contemplate adcquate funds, nor does the Ministry of Agriculture have sufficient staff, for the necessary services and on-farm investment tn incorporate most of the eligible peasants in the process. That would require more capital, which one FAO expert put on the order of $2,000 per family, to be repaid over five to eight years.

Export credit

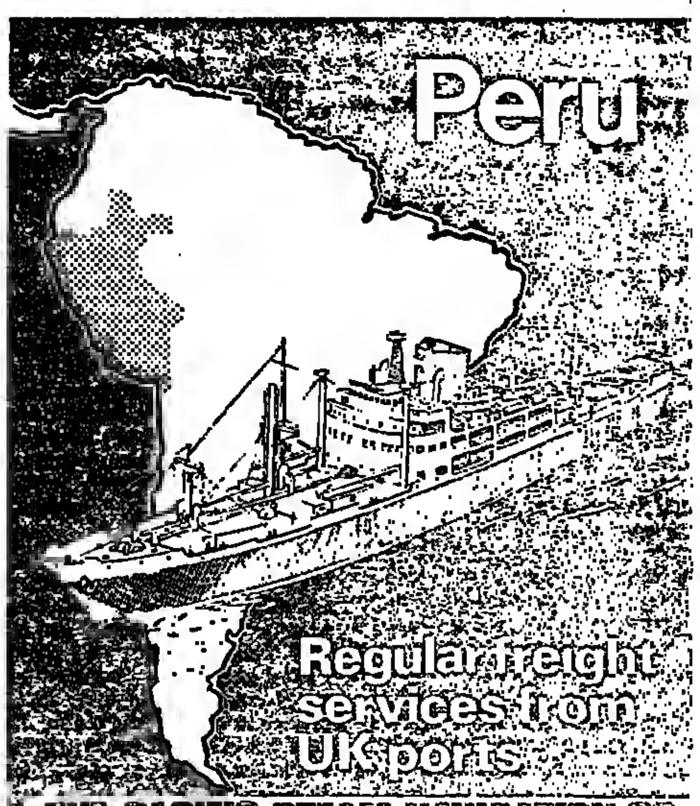
Unfortunately, most of the necessary capital is neither machinery nor consumer goods, for wbich export credit is readily available: a typical project needs livestock (Corriedale sheep), fenceposts and fencing.

The Government has sought external finance, but most loans for agriculture in the last decade went into longer-term irrigation investments. The Inter-American Development Bank is the institution sbowing the most comprehenaion for Peru's efforts in land reform. It loaned $23m. in 1970 for small irrigation projects througbout the Highlands: a possible $10m. more for lending to individual borrowers through the Farming Development Bank is reportedly under active negotiation.

There are relatively few sources of credit for the production co-operatives. A further problem is that some lenders, particularly U.S. agencies and the World Bank, seem unable to process loans so long as a foreign investor thinks it has a claim against Peru.

Critics of the Peruvian agrarian reform focus on the lack of worker participation, the number of eligible families, especially Indians, who will never obtain land, and tbe apparent emphasis on productivity without equal concern for employment.

These points are important for future planning, but they cannot cancel out the spectacular, historic and irreversible changes already achieved.



Good prospects for the mining sector

By COLIN HARDING, Lima Correspondent

In June this year the Southern Peru Copper Corporation—jointly owned by a group of American mining companies—announced that it would be going ahead, using £20m. of its own resources, with the development of its £150m. Cuajone copper mine project. By September it will be known if a consortlum of six Japanese copper smelters will be helping to finance the rest.

This was good news for the Peruvian Government, whicb is relying on a large flow of foreign investment to help develop the country's immense mineral wealth, and inject some action into a still-slow economy. Although SPCC had signed a special contract with the Government in December, 1969, to develop the Cuajone deposit, whicb will be one of the largest open pit copper mines in the world with proven mineral reserves of 470m. tons, there had been constant rumours that the company was having difficulty in raising the capital.

Mining projects

Long-term prospects for foreign investments in new mining projects now look reasonably optimistic. Belgian and Britisb groups, the latter led by British Smelter Constructions Limited of Brentford, are currently competing for the contract to arrange financing of another Important copper development in Southern Peru, at Cerro Verde. This project will probably include a 127,000 tons per year copper refinery at the port of Ilo. On the other hand the well established Marcona Mining Company (owned by Utah Construction and Cyprus Mines) has recently signed a £52m. agreement with the Government to increase iron nre output from its coastal concession soutb of Lima from 8.5m. tons a year to 10m. tons. Most of this production ia exported to Japan.

The military Government defined its policy towards the mining industry (a basic sector of the economy which provided about 50 per cent. of export earnings in 1970) in April last year and confirmed the main lines of this policy in a monumental 350 clause general mining law published a few days before SPCC's decision was announced.

Basically the Government wants to bring unexploited mineral deposits into production as quickly as possible and increase the contribution made by a growing output—copper production is due to triple by 1980 from 200,000 tons a year to 600,000 tons—to the economy as a wbole.

A number of undeveloped copper concessions (Cerro Verde, Michiquillay, Quellaveco, Tintaya, Antamina, Chalcobamba, Ferrobamba and Berenguela) which had been held by foreign companies, aome for np to 50 years, were revoked at the end of last year. The Government set up its own mining company, Minero Perú, to operate them. This it is estimated will require investments of at least £400m. over the next few years, a considerable proportion of which will have to come in the from of foreign financing.

Existiog foreign companies—the main ones are Cerro de Pasco Corporation, Marcona Mining and SPCC—are not to be nationalised. Unlike Chile the present concessions system ia to be maintained, thongh strong taxation and other incentives are designed to encourage the formation of joint ventures with the Government. Taxation scales bave been revised and an upper limit of £3m. a year placed on reinvestment allowances (which replace the old depletion factor).

The state is tn take over completely the refining and marketing of minerals, the only exception apparently being the marketing of copper from Cuajone which is covered by earlier legislation. A mining community designed to enable miners to share in the profits, management and ownership of the mines on a very gradual basis is also lotroduced, thougb companies can partly offset the effects of this by forming a joint venture with the state.

Stricter control

These measures and a generally stricter control of the industry by the Government are intended to modify what is regarded as the excessively favourable treatment mining companies enjoyed from previous governments. The previous mining code Introduced in 1950 by the military Government of General Odría granted very low export taxes, import concessions and generous depletion allowances. Peruvian economists argue that this policy produced an enclave industry wbicb did little to generate local employment or create backward and forward linkages with the rest of the economy through supplier and processing industries.

Mining has traditionally been a fundamental part of Peru's export-oriented economy since colonial days.

The railway building boom of the second half of the nineteenth century, however, opened up previously inaccessible areas and made copper mining an attractive proposition for the first time. The construction of the central railway in the 1980s encouraged an American syndicate, including J. P. Morgan, to assemble a block of claims in the traditional silver producing Cerro de Pasco area and mine for copper. This syndicate became the Cerro de Pasco Corporation, whicb still has six major properties in the Central Sierra, producing mainly copper, lead, zinc and antimony. The Corporation bad total sales in 1970 of £200m. It became one of the largest landowners in the country with more than 800,000 acres of grazing land bought from surrounding communities after smoke from the corporation smelter in La Oroya bad destroyed the crops and killed large numbers of cattle. These estates were expropriated by the agrarian reform last year.

The next big developments in Peruvian mining came in the 1950s and 1960s with tbe establishment of Marcona Mining company in 1953 and especially with the opening in 1960 of the Toquepala copper mine by SPCC (jointly owned by American Smelting and Refining). This mine is one of the most successful in the world, producing about 140,000 tons per year of blister copper. It cost about £400m. to bring into full production and yielded distributed profits of £26m. and £15m. in the last two years. The Cuajone deposit is nearby and should be on stream by 1976, producing another 140,000 tons of blister copper.

If the long-term prospects of the Peruvian mining industry seem good, the more immediate situation is less certain. Mineral prices, especially copper, reached very high levels in the first balf of last year, but bave since been fluctuating, and export earninga have dropped. This treod has been accentuated by a series of labour conflicts in most of the main mining centres, whicb began in the second balf of last year. The mine owners claim that £15m. bas been lost in exports in the first four months of this year, and Cerro de Pasco claims it bas been operating at a loss since last October.

The labonr situation in the mines is confused, with the employers blaming communists and the unions blaming right-wing agitators for trying to divide the Governmeot and the workers. As for the Government, it bopes the community concept will remove the causes of strife in time although there is little sign of it taking effect so far.

PERU III

Bringing the fishing industry to heel

By COLIN HARDING

Peru has one of the biggest fishing industries in the world, and 1970 was its best-ever year. Production of fishmeal topped 2m. tons for the first time, and export earnings from the industry netted £140m., making it Peru's second largest source of foreign exchange after mining, with 32 per cent. of the total. Peruvian fishmeal supplies nearly half the world demand for a commodity which is a small but vital ingredient in balanced feeds for pigs and poultry. It contains a mysterious "growth factor," which nobody has yet been able to fully explain, but which no other protein source can replace.

In the last couple of years, Peru's military Government has set about reorganising what has become a greatly over-capitalised industry, as part of its overall plans to gain control over the key sectors of the economy. A general fisheries law introduced earlier this year also aims to create, virtually from scratch, a large-scale food fishing industry, an aspect almost totally neglected by private enterprise since the great fishmeal boom began in the mid-1950s.

Swift expansion

At present, fishing in Peru means fishmeal. The rise of the fishmeal industry was swift and spectacular, growing from nothing to its present status in little over a decade. By the beginning of the 1950s, Peru's fisheries industry was confined to dwindling exports of tuna and bonito to the U.S. The first fishmeal plant designed to process the tiny anchoveta, which shoal in millions in the cold waters of the Humboldt current just off the Peruvian coast, was opened in 1950. But it took an important technological innovation—the introduction of nylon netting in 1956—to prepare the way for the explosive growth which followed.

Nylon nets are better in every way than the cotton ones which had been used until then: they are lighter, stronger and more resistant. This enabled bigger catches, and therefore bigger boats, followed by rapid mechanisation. These innovations, combined with a growing demand for pork and poultry in the developed countries, and, even more important, with the growing *realisation* of the importance of balanced feeds in the rearing of these animals, set the boom in motion.

This combination of circumstances was fortuitous for Peru, where cotton, sugar, petroleum and wool exports, formerly the mainstays of the country's export economy, had been falling off badly. Fishmeal was in large measure responsible for reviving the economy at the beginning of the 1960s, restoring the balance of payments and enabling a few more years of almost uninterrupted economic growth, which lasted *until 1967*.

Peru's fishmeal exports rose from 31,000 tons in 1956 to 332,000 tons in 1959. By 1960, Peru was the world's largest fishmeal producer, leading Norway, Angola, South Africa and Chile.

This growth was a remarkable success story for a few Peruvian businessmen, who saw the possibilities early on and managed to raise enough credit to put up a plant, often from foreign sources. Some of them have since become very big indeed. The biggest of them all, Luis Banchero, opened his first plant in Chimbote in 1956 and is now one of the richest men in Peru; his ten plants produced nearly 400,000 tons of meal last year. Sr. Banchero is also prominent in insurance, banking, publishing, boat building, shipowning and mining.

Once the boom got under way, there was a tremendous scramble to get on the bandwagon. It was easy to get into the industry, credit was readily available from banks and suppliers, and shipyards sprang up everywhere overnight, like mushrooms. With profit margins estimated at 50 per cent., there was every incentive to take a few risks.

The world fishmeal market is liable to violent fluctuations, which multilateral attempts to stabilise have not yet eliminated, and many people lost their shirts in the subsequent ups-and-downs of the industry, with *1960, 1963* and *1966* standing out as bad years in a generally upward process. The main result of this has been a growing concentration of the industry in the hands of a few large groups. Foreign interests still control an estimated 40 per cent. of total production of Peruvian fishmeal.

Commodities dealers

The chronic *instability* of the market has been blamed principally on the activities of the international commodities dealers, who influence prices by adopting short or long positions on futures, buying up stocks, and speculating with contracts, mainly through Hamburg or New York. By 1970, marketing of an estimated 60 per cent. of Peruvian fishmeal output was in the hands of commodities traders, and attempts made to stop speculation and the domination of the industry by large groups had proved unsuccessful.

By 1967, the great expansion of the fishmeal industry was over, coinciding with a general economic crisis in Peru. The danger of over-fishing had already become a matter of general concern, and the Government began imposing an annual limit on fishing which has since been stabilised at about 10m. tons. The unplanned growth of the industry meant vast excess capacity, a large number of small, inefficient plans, and an enormous accumulated debt, a good proportion of which was assumed by the State bank. With the ending of catch expansion, efficiency became more important, and in this the large companies, with easier access to international sources of finance, were well placed.

Peru's military Government has taken a number of important steps to reform the structure of the industry, starting with marketing. The Government argues that Peru was receiving far too low a price for her fishmeal exports, considering her *theoretically dominant position* in the world market, and responded by nationalising fishmeal marketing in May 1970.

The State marketing company, known as EPCHAP, aims to miss out traders altogether, selling straight to the users, on CIF terms whenever possible to prevent speculation.

The results of this change-over have so far been mixed. At first results were apparently good, with prices for most of 1970 remaining at a high average of around £80 per ton CIF, but by the turn of the year, a critical stocks situation had built up, with greatly reduced shipments this year. The explanation appears to be that EPCHAP, with a combination of optimism and inexperience, tried to be inflexible on a highly mobile market, patriotically asking £80 per ton long after conditions which had created this high price—mainly heavy buying by speculators to cover short positions — had passed.

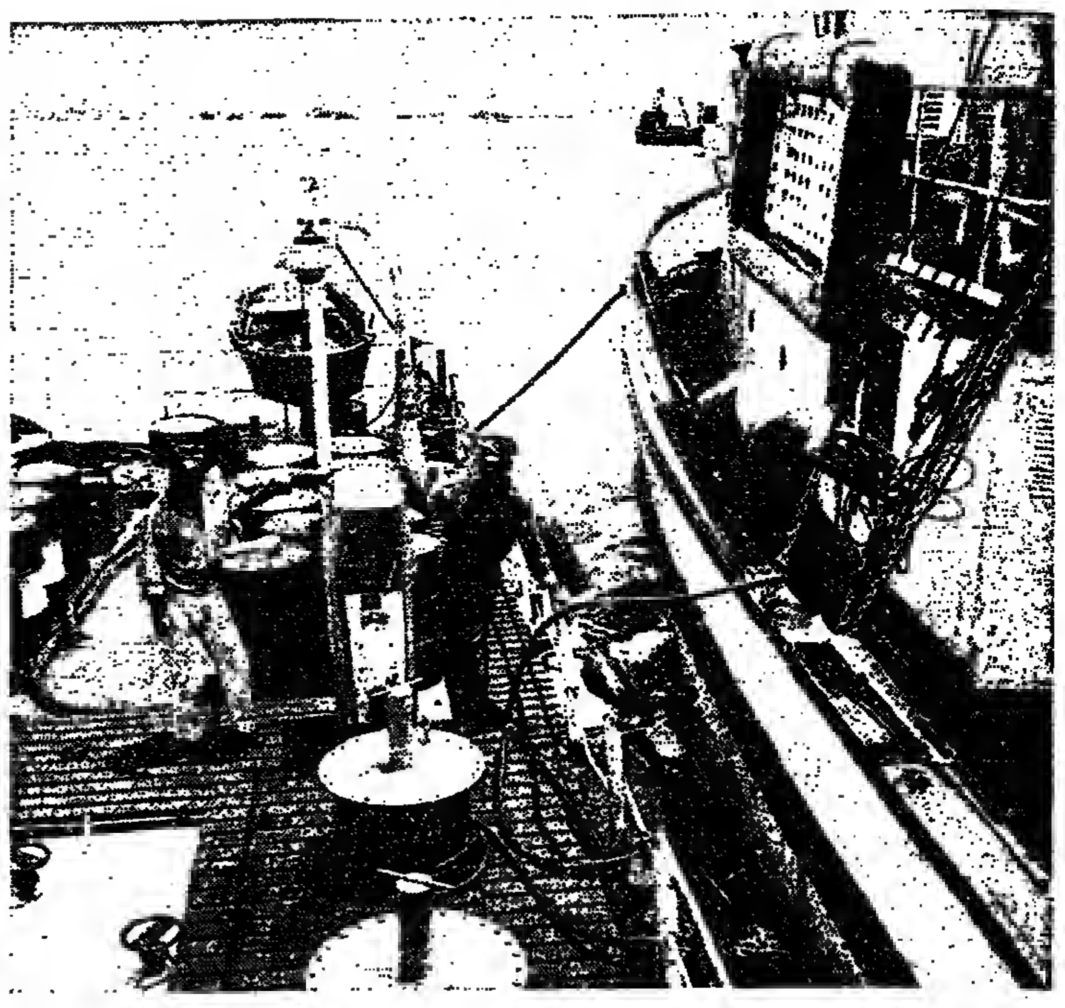
This let in competitor countries, which were able to undercut Peru as the world price fell. Once the price of meal rises above a certain level it can be profitably substituted by another protein source, mainly soya meal, and even synthetic amino-acids, and this, to a certain extent, is what has happened to Peru.

There has since been a shake-up in EPCHAP, with an injection of outside business experience, and results are expected to improve. On the other hand, Peru is trying to minimise this vulnerability to outside pressures by widening her markets. The Minister of Fisheries, General Javier Tantaleán, recently pulled off something of a coup by signing sales contracts with Cuba, the USSR and the Peoples' Republic of China for more than 400,000 tons of meal, so this year's results may not be as bad as had been feared.

Inelastic supply

Other Government legislation is designed to encourage rationalisation and streamlining of an industry which depends increasingly on efficient processing of a relatively inelastic supply of raw material. The general fishing law calls for mergers and compulsory installation of more efficient processing machinery, and some attempt is being made to reduce the number of boats. Majority control of foreign companies also has to be transferred to local shareholders over a number of years.

At the same time, the "community" concept has been introduced into the industry in an effort to create a new basis for social harmony between labour and capital (the latter is offered generous incentives), and the Government has promised to protect the small producer. Potential contradictions in all these aims have not yet had time to emerge.



A Lobitos marine filling station which serves the Peruvian fishing fleet.

The other important aspect of new legislation is encouragement of a food fishing industry to substitute food imports and create jobs. Government plans are conceived on a large scale, with some £200m. to be invested in the next five years in fishing ports and terminals, a State-run deep-sea trawler and tuna-clipper fleet, a chain of refrigeration plants, co-operatives for small fishermen, and so on.

The largest single project is for a fishing complex, consisting of harbour, *cannery*, refrigeration plant and a whole new town, to be built in the isolated desert village of Bayovar in the north. The USSR has expressed some interest in financing this scheme, which is expected to cost about £22m.

However, there is still some uncertainty about whether there are sufficient resources of the right kind of fish to support an industry of this size. The Government is thinking in terms of landing 600,000 tons *per year*, and it is more or less taken for granted that Peru's seas are as rich in hake, bream and so on as they are in anchoveta. Few studies have yet been done of the real resource situation, but some experts estimate that the actual figure could be as low as 450,000 tons a year.

Quiet economic transformation

By COLIN HARDING

With the publication, in rapid succession, of a five-year economic development plan and the long-awaited general mining law, the Peruvian military Government has completed a legislative and planning marathon which started less than a year ago with a general industrial law. The plan now covers most basic aspects of the Peruvian economy.

Although there has been a great deal of talk about veering to the Left and Right, the Government has in fact shown remarkable consistency in the main lines of policy. Every measure, it says, is directed towards carrying out a peaceful revolution, which will transform the traditional structures of economic dependence and lay the foundations for self-sustained industrial growth. This is to be achieved by establishing local, and particularly State, control over basic resources and economic activities, and setting up a series of planned priorities for developing them.

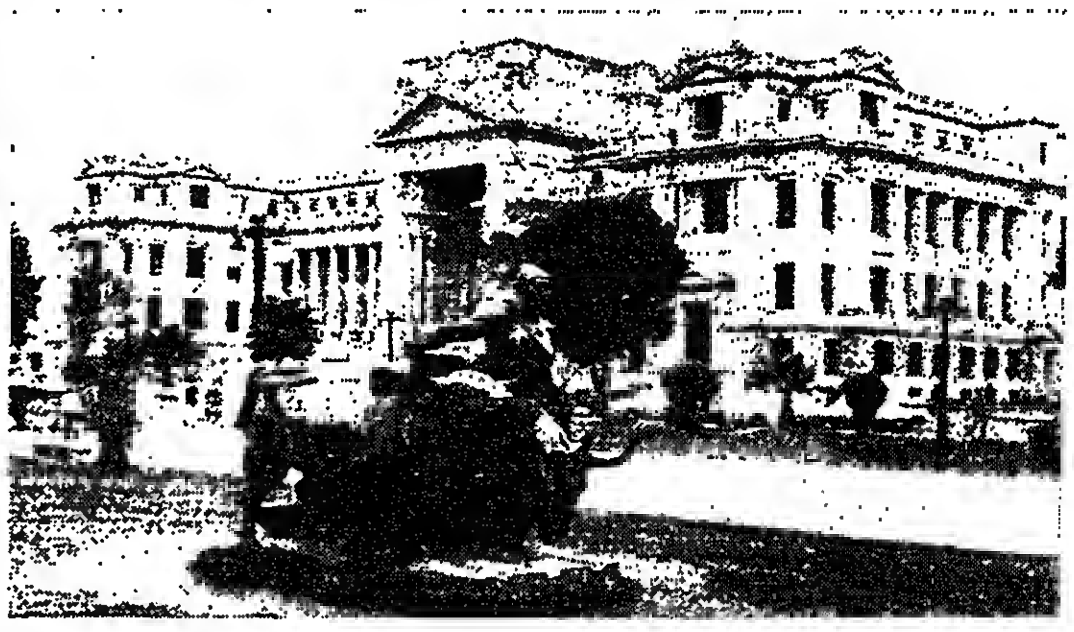
Last July's industrial law was designed to put basic industry into the hands of the State, leaving industries classified as secondary for private development. *This* ideal of a *mixed* economy controlled overall by the State finds expression in the Government's repeated assertion that it is neither capitalist nor Communist, but rather humanist and *nationalistic*. Extremism of all kinds is roundly condemned, and both local and foreign private investors have been constantly assured that they are welcome, and indeed have a vital part to play in the Government's development plans, which assign a majority role to private capital.

The conditions are that investors accept the Government's scale of priorities, its insistence that the allocation of private investment should be subject to overall control, and not simply allowed to go where the most profit is to be found, irrespective of the national interest, as occurred in the old days of uncontrolled import substitution.

This outlook has meant that the Government has been faced with the difficult task of establishing a reasonable balance between incentives and controls for private investment. Despite assurances that there was no intention of discouraging, much less eliminating, foreign private investment in Peru, the immediate reaction to the industrial law in these circles has been one of alarm and despondency.

Increased role

The requirement for foreign companies to sell a majority holding to Peruvians over a specified number of years, the greatly increased role of the State in the economy, the novel concept of the Industrial Community—by which workers in a company share in the profits, management and ownership of the enterprise — all these features of the law were such an abrupt change from the *laissez-faire* free enterprise which had long characterised the Peruvian economy that (coupled with memories of the International Petroleum Company take-over, the sugar estate expropriations, the elimination of a number of foreign car-assemblers and the nationalisation of foreign banks) the total effect was to convince some observers that the midnight hours for foreign enterprise—perhaps even private enterprise—had struck in Peru.



The Palace of Justice, Lima.

A consequence of this uncertainty was that private investments in industry, which had not been very fluid since the *military take-over* in October, 1968, virtually ground to a halt. Everybody contemplating a new investment decided to wait and see, so that total new industrial investments in 1970 only amounted to £5m. according to Government figures.

Good year

Despite this "strike" by investors, 1970 was a good economic year for Peru, thanks to a big increase in public expenditure and sky-high prices for exports, especially minerals and fishmeal. However, when *foreign hostility* to the industrial legislation was also found to be just as strong among Peruvian businessmen, the Government responded, partly with exhortations and partly with a series of concrete incentives to the local investors who, according to the Government's plans, are supposed to provide the major part of the £2,000m. which should be invested in the next five years.

These incentives have consisted of a number of tax and credit concessions, the setting up of a finance corporation to channel developmental investments and the creation of a modern stock exchange. A broker on this exchange remarked recently that left-wing Governments close stock exchanges down rather than open them, and there is a growing realisation among private investors at home and abroad that they really have little to fear from the Peruvian revolutionary Government.

This gradual change—some people even talk of a turn of the tide—probably has something to do with the other two major laws, governing the fisheries and mining industries, which have been introduced in the past few months. They contain broadly the same principles as the industrial law—establishment of overall State control with regard to planning and development, the creation of workers' fishing and mining communities and incentives for private investment in return for the acceptance of the Government's stiffer conditions.

The fisheries law places great emphasis on the creation, with the help of tax incentives, of a large-scale consumer fishing industry, which Peru has never had, and rationalisation of the vastly over-capitalised fishmeal industry, which is Peru's second-largest foreign exchange earner. *The mining legislation aims* at putting undeveloped reserves into production and using the minerals as the basis for industrial development instead of simply exporting them. A good example of the Government's undoctrinaire approach is the fact that, even with this law, Peru is the only member of the copper-producing CIPEC countries (Congo, Zambia and Chile *are* the others) which has not nationalised the industry. Instead, only refining and marketing are placed exclusively in State hands, and concessions to private companies are retained, in some conditions, though 51 per cent. Government-49 per cent. private joint ventures are preferred.

Mining law

The mining law earned the rather effusive praise of a specialised mining journal in London, and the general reaction of the big foreign companies established in Peru (Cerro de Pasco Corporation, Southern Peru Copper Corporation, Marcona Mining Company) is that the law is not unattractive.

Those who have seen the Peruvian military Government as "anti-foreign investment" (including some U.S. senators) have tended all along to overlook the fact that a number of favourable contracts, from the foreign companies' point of view, have been signed during the past couple of years.

The first big contract was with the SPCC for the Cuajone copper deposit, an estimated US\$400m. investment, and the latest is with the Occidental Petroleum Corporation for exploring and developing jungle oil reserves, which guarantees the company half of any production virtually tax-free. The Government has said that it prefers financing and technical assistance to direct investments, and all these contracts include strict Government supervision, but the need to import foreign technology and capital under the most favourable conditions available is freely acknowledged.

The Inter-American Committee of the Alliance for Progress (CIAP) produced a very favourable report on the Peruvian economy in 1970, when GNP rose by 7.5 per cent., and the U.S. Department of Commerce has recently taken the somewhat unexpected step of recommending Peru as a good place for investment. There are also signs that Peru is back in favour with the World Bank (after a freeze which began following the IPC expropriation in October 1968) and the International Monetary Fund.

The main problem remains, it seems, with Peruvian private investors, who, though many are now prepared to say they can live with it, still do not like the idea of the workers' communities, which they fear will mean loss of control over their enterprises. Some also consider that they are left at a disadvantage with regard to the foreigners. However, a moderate consumer goods boom is currently keeping many of them quiet.

Government policy, on the whole, is designed to create a strong and independent national industrial sector and, through the communities, a society free of conflicts, especially strikes. If local capital and labour do not make the adaptation expected of them, the alternative will probably be greater State intervention: President Velasco has said that the goal of national transformation takes precedence over all others, even at the cost of temporarily sacrificing the country's economic growth. Nobody is seriously doubting that he means it.

PERU.... a different kind of revolution

[illegible]
BANCO DE LA NACION: The National Bank
MINERO PERU: Peruvian Mining [illegible]
[illegible]
Commercialization of Fishmeal and Oil
CPV: The Peruvian Steamship Corporation
SIMA: Naval Industrial Service
CERPER: [illegible]
[illegible] Office
[illegible] Corporation
ENTEL: National Telecommunications Board
ENTURPERU: Peruvian [illegible]
THE ASSOCIATED STATE BANKS
The Continental Bank
The Popular Bank
The International Bank
The Mortgage Bank
The Reserve Bank

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WALL STREET + OVERSEAS MARKETS

Dow drops 8.1 on economic news

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 27.

FAIRLY SHARP LOSSES developed on Wall Street to-day, and the close was at the day's lowest levels, reflecting the generally uncertain economic news, unsettlement regarding a stalemate in the Rail talks, fears of a Steel strike when labour contracts end late this week, and apparently spreading opposition in the Senate to the "Save Lockheed" Bill.

The Dow Jones Industrial Average finished 8.17 down at 880.70, the Transportation Index declined 3.60 to 210.33, while the NYSE All Common Index gave way 52 cents to $54.13. Volume expanded 1.63 shares to 11.56m. of the 1,658 issues traded 1,062 declined while 331 advanced.

Steels—faced with a possible walk-out on Friday—were listless and showed only small movements.

Aerospace issues sprinkled the active list and limped downwards against some of bearish news.

Lockheed Aircraft fell $1¾ to $10¾ as Senate opponents roundly defeated two moves to speed the debate on the Loan Bill which the company contends is necessary for survival.

Boeing were lowered $1¼ to $16¼ on its projected lower future revenues and earnings due to a fall-off in commercial aircraft orders.

Blue Chips, which held in yesterday's market, turned lower to-day in a disappointing performance.

Even sectors, or individual stocks, such as Oils, reporting better earnings, could not withstand the general downward trend of the market.

"Glamours" were heavily hit, with IBM down $4 to $292¾ and at a year's low viewed as a major contributory factor.

The fall in the Computer sector was attributed to a Trade Journal report that IBM was contemplating peripheral equipment price reductions and a generally lower earnings profile.

Honeywell gave way $1¾ to $93¾ on its sharply lower earnings. Memorex declined $2¼ to $26¾—it has accepted a consent decree from the SEC on its leasing operations. Control Data lost $¾ to $53¾ despite sharply higher second-quarter earnings.

Ling Temco Vought, the volume leader, fell $1¾ to $13¾.

Federal National Mortgage retreated $2¼ to $62¾—it denied a report circulating in Wall Street that it was contemplating a two-for-one stock split.

Merrill Lynch, on its first day on the "Big Board," closed $1¾ down at $37.

Better earnings by both Ford Motor and International Telephone did not help either stock. Ford shed $¾ to $64¾ and ITT lost $1 to $65.

American Broadcasting fell $2 to $41¼—after the close it reported lower second quarter earnings of 63 (83) cents per share.

Prices on the American SE reflected those on the "Big Board," with the Index closing 20 cents down at $25.18 in a volume of 3.34m. (2.54m.) shares.

Wilson and Co. were lowered $¾ to $28¾ after announcing a two-for-one stock split. Savin Business Machines gave way $¾ to $30¼—it announced a mutual licensing agreement with a German office machine manufacturer.

Medallist Industries eased $¾ to $16¾, although it reported a first half year profit of 57 (43) cents per share.

OTHER MARKETS

Canada mainly easier

Canadian Stock Markets were mainly easier in moderate trading yesterday. On index, Industrials lost 0.99, Banks 0.74, Western Oils 2.62, Utilities 0.42 and Papers 0.09. Golds, however, rose 1.05 and Base Metals 0.31.

Reitmon's Canada added $1¾, Reichold Chemicals firmed $1 and Ford of Canada also rose $1.

Pacific Petroleum dipped $1¼ and Ocean Cement lost $1, but McIntyre Porcupine Mines jumped $5.

PARIS—Market was firm in active trading, with most sectors showing small rises, including CFP and Shell Francaise in Oils, Rhone Poulenc in Chemicals and Hutchinson in Cars and Rubbers.

Usinor rose Frs. 2.8, despite its recently reported lower half year turnover.

Foreign stocks were firm. In Americans there were small falls in Kodak and Schlumberger, but General Motors and Alcan rose.

BRUSSELS—Generally dull in slack trading. Among leading stocks to rise were Gevaert, Petrofina, Traction et Electricite, and Wagons-Lits. Hoboken and Arbed declined.

Golds were barely changed.

Philips and Royal Dutch each rose in otherwise quiet Dutch issues. ICI firmed in British stocks, as did Pechiney in French shares. German equities were steady. Brascan lost ground on profit-taking and the recently-introduced Roan Consolidated firmed slightly.

GERMANY—Markets were firm. But some leading Banks met profit-taking. Chemicals were slightly higher, but Bayer eased. AEG and Siemens each gained ground in Electricals. Stores eased slightly.

AMSTERDAM—In mainly lower Plantations, Amsterdam Rubber continued its firm trend. Shippings were quietly steady, while local Industrials were quiet with Oce-Van der Grinten recovering Fl.2. Among Banks, Algemene Bank Nederland advanced Fl.13 on Bourse expectations that its six months figures will be very favourable. Amsterdam-Rotterdam Bank firmed Fl.1.1 in sympathy. Insurances were lower, Investment Funds steady.

Internationals were firmer on local interest. Royal Dutch gained Fl.1.4, aided by British purchases.

STOCKHOLM—Irregular trend.

MILAN—Market was selectively firmer in more active trading. Fair interest in Financials was a feature of the market, while popular issues steadied around previous levels.

Italpi, Motta, Invest, Saffa, Gim, SME, Cascami and Financials scored gains, while Quicksilvers and some minor Engineerings eased.

Bonds were generally little changed in quiet dealings.

OSLO—Banking shares were quiet. Insurances were barely steady, while Industrials and Shipping were firmer.

VIENNA—Very steady. Banks and Insurances were maintained.

COPENHAGEN—Very steady in moderate trading.

TOKYO—Market advanced on active buying with dealers welcoming the Government's various measures to bolster economic activities and the reduction in official Bank Rate. Volume 200m. (140m.) shares.

Construction and Dredging shares advanced sharply, as they were expected to benefit from the Government measures, which include an additional outlay of Yen 220,000m. from the fiscal investment programme.

The Tokyo SE raised margin requirements for eight stocks—Showa Oil, Sato Kogyo, Okumura-Gumi, Tobishima Construction, Mishimatsu Construction, Maeda Construction, Daikyo Oil, and Toa Harbour Works.

AUSTRALIA — Mining issues closed on a weaker note, Oils were stronger, while Industrials were variable.

Poseidon, however, closed $2 higher after announcement of the Mt. Windarra agreement. Selcast firmed 3 cents to $1.69—the market showed little reaction to its latest nickel assays, the report coming in just before the close of trading.

Whim Creek put on 60 cents to $4, but Great Boulder lost 4 cents at $1.61 and Kathleen Investments dropped 20 cents at $7.70.

Bougainville Mining, Metals Exploration and Utah each eased.

In Oils, Mid Eastern were lifted 13 cents to 67 cents, Woodside gained 6 cents at $1.16 and the Contributing shares added 13 cents at 80 cents. Timor came back 4 cents to 36 cents.

Among Industrials, APM weakened 10 cents to 1.80.

JOHANNESBURG—Golds were firm, reflecting the bullion price and small selective local support. Financial Minings also moved ahead slightly. P P Rust were firm in otherwise dull Platinums. Coppers and other Metals were little changed.

Banks were firm while Industrials were narrowly mixed.

SWITZERLAND — Generally firmer in moderately active trading. On the local sector small advances were seen over a broad front with Sandoz, Sulzer, Nestle Bearer and Lonza among the gainers.

Financials and Insurances were slightly higher, while Banks closed very steady.

State Bonds were little changed in quiet trading.

In the Foreign sector, Dollar stocks were narrowly mixed with Computer shares generally easier. Among Dutch Internationals small gains predominated. German stocks closed firm.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume † 000's
July 27	70.31	210.33	880.70	117.56	11,660
26	70.40	213.93	888.87	117.66	9,950
23	70.34	214.83	887.78	117.46	12,570
22	70.46	214.43	886.68	117.54	12,570
21	70.36	215.10	890.84	118.19	11,930
20	70.40	216.17	892.30	118.13	12,540
19	70.36	214.23	886.39	118.13	11,430
16	70.17	217.17	888.61	118.45	15,870
1971 High	71.98 (6/4)	232.79 (28/4)	950.82 (28/4)	128.38 (19/1)	—
Low	68.62 (4/1)	169.70 (4/1)	830.57 (4/1)	115.11 (8/6)	—

* All-time high 985.15 19/2/66
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

July 23	July 16	Aug 3 1970
3.60	3.60	4.40

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Tues.	Mon.	Fri.	Thurs.	Wed.
57.76 (28/4)	49.74 (4/1)	54.13	54.65	54.82	54.92	55.04

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,658	331	1,062	265

1970/71	Tues.	Mon.	Fri.	Thurs.	Wed.
New Highs	6	21	25	18	33
" Lows	65	55	46	56	42

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Tues.	Mon.	Fri.	Thurs.	Wed.
28.69 (28/4)	22.72 (4/1)	25.18	25.38	25.44	25.47	25.63
Volume (000's)		3,340	2,549	2,780	2,920	3,120

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
July 27	107.70	97.78
26	108.72	98.67
23	109.01	98.94
22	109.10	99.11
21	109.39	99.28
20	109.42	99.32
19	108.95	98.93
1971 High	115.84 (28/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	July 21	July 15	July 23 1970
Industrial div. yield pc	2.92	2.92	3.88
Price-earning ratio	18.45	18.41	15.22
Long-term Govt. Bds. yield pc	6.18	6.10	6.75

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Ling Temco Vought	153,400	13¾	—1¾
Amer. Tel. and Tel. Pf. Wt	149,900	55¾	—¾
Boeing	125,800	16¼	—1¼
Amer. Tel. and Tel.	123,400	44¼	—¾
Eastern Air Line	110,200	15¾	—1¾
Rheingold	96,200	28¾	—1
RCA	84,800	30¾	—2¾
Fed. Nat. Mort.	83,500	62¾	—2¾
Lockheed Aircraft	79,000	50¾	—1¾

TORONTO

INDUSTRIAL INDEX

July 27	July 26	High 1971	Low 1971
179.63	179.67	188.74 (21/4)	173.9 (4/1)

MONTREAL

INDUSTRIAL INDEX

July 27	July 26	High 1971	Low 1971
185.50	186.52	198.80 (20/4)	176.50 (14/1)

COMBINED INDEX

July 27	July 26	High 1971	Low 1971
182.29	183.14	185.02 (20/4)	172.83 (22/2)

JOHANNESBURG

	July 27	July 26	High	Low
Industrials‡	205.8	205.3	212.4 (9/6)	165.8 (13/1)
Golds†	81.4	80.8	89.3 (19/4)	73.7 (15/7)

(1968=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 80 Leading Stocks	July 22	July 16	July 15
On Dividends	3.58	3.62	3.62
On Earnings	9.60	9.31	9.31

SYDNEY ALL ORD. INDEX

July 27	July 26	High 1971	Low 1971
480.94	481.80	818.51 14/1)	477.15 (3/3)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

July 27	+ or —	Div. %	Yield %
205.98	+1.05	11.90	8.29

1971	High	Low
	204.33 (19/7)	148.35 (5/1)

EUROPE

	Previous	July 27	1971 High	1971 Low
Belg'm (m)	106.28	106.03	106.28 (27/7)	92.18 (5/1)
France (bb)	78.3	77.8	78.8 (22/6)	74.8 (6/1)
Germany*	105.80	105.56	112.71 (25/2)	94.96 (5/1)
Holland (o)	121.4	121.4	122.0 (3/4)	112.6 (5/1)
Italy:	50.05	42.38	60.09 (5/3)	48.94 (12/7)
Sweden (p)	231.74	222.66	292.71 (25/6)	245.71 (5/1)
Switz'rl'd **	409.6	407.8	410.4 (16/4)	353.5 (4/1)

* Berstatt Index. ‡ Base amended to January 2, 1962, from December, 1958. ** Swiss Bank Corporation Index base 100 December, 1958. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

MONEY + EXCHANGES

Large assistance

Bank Rate 6% (April 1, 1971)

Credit remained in short supply in the Discount market yesterday, and the authorities provided assistance on a fairly large scale, by buying Treasury bills from banks and Discount houses. Revenue transfers to the Exchequer were below Government disbursements, with payments to local authorities apparently a significant factor. Repayment to the Bank of England of the large sum borrowed the previous day by six or seven houses was against the market's favour, as was a net Treasury bill take-up.

A rate of 5¾ per cent. or 6 per cent. was bid commonly for day-to-day loans, but late balances were obtained at levels down to 4 per cent. Near three-month Treasury bills were quoted for sale at 5 17/32 per cent.

A late sample of sterling certificate quotations gave the following range: 1-month 6 1/16-5 15/16 per cent., 2-month 6⅛-6 per cent., 3-month 6 3/16-6 1/16 per cent., 6-month 6⅜-6¼ per cent., 9-month 6⅝-6 7/16 per cent., 12-month 6¾-6½ per cent.

In the inter-bank market overnight loans commanded 5¾-6 per cent. for a good part, though 5-5¼ per cent. was touched around lunch-time in places, and late business was done at 4 per cent. or so. Month money was at 6 1/16-6⅛ per cent., 3-month 6 3/16-6 5/16 per cent., 6-month 6 7/16-6⅝ per cent., 9-month 6⅝-6⅞ per cent., and 12-month 6 11/16-6⅞ per cent. First-class finance houses offered around 6¼-6½ per cent. for 3-month deposits, 6-6½ per cent. for 6-month, and 7¼-7½ per cent. for 12-month.

Local authorities paid 5¾-6¼ per cent. for loans at 2-days' notice, and 6-6¼ per cent. for loans at 7-days' notice. Month money was at 6-6¼ per cent., 3-month at 6 3/16-6¼ per cent., and 6-month at 6¼-6⅜ per cent. One-year mortgages were at 6 13/16-7 per cent., 2-year at 7¼ per cent., with 3-year at 7⅞-8 per cent., 4-year at 8-8¼ per cent., and 5-year at 8¼-8½ per cent.

Local authority bond yields were quoted as follows: 1-month 0.25-6.00 per cent., 2-month 6.25-6.05 per cent., 3-month 6.28-6.10 per cent., 6-month 6.30-6.20 per cent., 9-month 6.43-6.27 per cent., and 12-month 6.55-6.40 per cent.

Loans Φ Day to-dy	Loans Φ Sh'st prds	Banks Bills Φ 2 & 3 mths	Banks Bills Φ 4 mths	Banks Bills Φ 6 mths	Fine Trade Bills 3 mths	Fine Trade Bills 4 mths	Fine Trade Bills 6 mths
4¼-6	4¼-6	5⅝-5¾	5⅝-5¾	5⅝-5½	7-7¼	7-7½	7¼-7½

Φ Rates at which discount houses take loans or buy bills respectively. Buying rates for Treasury bills in the Discount Market: two months 5 17/32 per cent., three months 5 9/16 per cent.

Finance House Base Rate published by the Finance Houses Association: 7 per cent. from July 1 (unchanged from June).

BULLION MARKET

Gold was fixed at $41.97½ (£17.361) an ounce in London in the morning, and at $41.90 (£17.328) in the afternoon. Business was more active than for some time, and the closing quotation of $41.95-42.15—up 25 cents on the day—was the highest for some two years. Gold coins had a firmer undertone. New sovereigns rose 5 cents to $10.30-10.40, and old 20 cents to $12.50-12.60. Double Eagles hardened $½ to $66-67, and although single were unchanged at $32-33, half were $½ firmer at $27½-28½. The 20-mark piece was unaltered at $24½-25½. In Paris, the 12½-kilogramme gold bar was fixed 22 cents an ounce higher at noon, at $42.10, and gained a further 3 cents at the afternoon fixing. The one kilogramme ingot improved 19 cents an ounce to $42.04. Turnover at the Bourse meeting was Frs.5m., against Friday's Frs.4m. Hong Kong raised gold 37 U.S. cents an ounce to $43.01. Silver was fixed 0.3p an ounce lower all-round in London, with spot at 64.1p (155c). A moderate business was done, with the spot price ending about 0.3p above the fixing level.

FOREIGN EXCHANGES

Sterling fell 1/32 cent on balance against the U.S. dollar in inter-bank dealings to $2.41 13/32, with month-end demand for Euro-dollar deposits against its favour. The 3-month discount on the pound narrowed 3/32 cent to 1/32, and the 6-month 1/32 to 23/32, while the 12-month narrowed 3/32 to 2 1/32. The German mark made a further gain against the U.S. dollar, rising 36½ points on balance to DM3.4600½, virtually at its best since its floating in early-May. Belgian francs were a little weaker, but otherwise there were no major changes among leading Continental currencies. Canadian dollars eased 27 points further to 98.01½ U.S. cents. French francs and Japanese yen remained close to their dollar ceilings.

FOREIGN EXCHANGES

July 27 1971	Bank Rate %	Day's Spread	Close
New York	5	[illegible]	[illegible]
Montreal	5¼	[illegible]	[illegible]
Amst'dam	5½	[illegible]	[illegible]
Brussels	6	[illegible]	[illegible]
Copenh'gn	7½	[illegible]	[illegible]
Frankfort	5	[illegible]	[illegible]
Lisbon	3¾	[illegible]	[illegible]
Madrid	6½	[illegible]	[illegible]
Milan	5	[illegible]	[illegible]
Oslo	4½	[illegible]	[illegible]
Paris	6¾	[illegible]	[illegible]
Stockh'lm.	5	[illegible]	[illegible]
Tokyo	5¼	[illegible]	[illegible]
Vienna	5	[illegible]	[illegible]
Zurich	3¾	[illegible]	[illegible]

N.B. Bank of England official limits U.S. $2.38-42. [illegible]

OTHER MARKET RATES

Australia	[illegible]	[illegible]
N.Zealand	[illegible]	[illegible]
S.Africa	[illegible]	[illegible]
India	[illegible]	[illegible]
Pakistan	[illegible]	[illegible]
Ceylon	[illegible]	[illegible]
*Hong Kong	[illegible]	[illegible]
Luxemb'g	[illegible]	[illegible]
Belgium	[illegible]	[illegible]
Italy	[illegible]	[illegible]
Holland	[illegible]	[illegible]

2 Note rates quoted by specialist dealers. Other rates [illegible] £'s per 100 [illegible] 45 per cent. [illegible] surrendered [illegible] for all denominations in the pound. [illegible] U.S. Canada [illegible]

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amst'dam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Copenh'n	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockh'lm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

EXCHANGE CROSS-RATES

July 27	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.4596 4605	62.72 76	6.965-972	[illegible]	[illegible]	[illegible]
N.York	28.8975-9025	—	18.1575-1425	2.0144-49	[illegible]	[illegible]	[illegible]
Paris	159 355 455	5.5127-35	—	11.102 103	[illegible]	[illegible]	[illegible]
Brussels	14 35-½	49.63¾ 641	9.0-0¾	—	[illegible]	[illegible]	[illegible]
London	2.365⅝ ⅞	2.41⅜-⅞	13.32½-35	120.0-10	—	[illegible]	[illegible]
Am'd'm	102 63 73	3.551¼ ½	64.45⅝ 46⅝	7.153¼ 164	[illegible]	—	[illegible]
Zurich	118 09 13	4.0850 55	74.06 11	8.26-24	[illegible]	[illegible]	—

U.S. $ on Montreal 1.01 1/32-⅞. Canadian $ on New York 98.00-9934. Milan on London [illegible]. New York 622.30. Milan on London 1511.50.

EURO-CURRENCY INTEREST RATES

	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W.German mark	Swiss franc
1Short-term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7-days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six-months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One-year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Long-term rates for U.S. dollars as follows: two-years 7¾-8 per cent., three years 8¼-8⅝ per cent., four-years 8¼-8½ per cent. and five-years 8¼-8⅝ per cent. The following rates were quoted for London dollar certificates of deposit: one month 6-6⅛ per cent., three-months 6⅝-6¾ per cent., six months 7⅛-7¼ per cent., one-year 7¼-7½ per cent., two-years 8-8¼ per cent., three-years 8¼-8½ per cent., four-years 8¼-8½ per cent. and five-years 8⅜-8⅝ per cent. Longer-term Eurosterling rates were quoted as follows: Midland Ltd. 6½ per cent. September 15, 1972, 7¾-7¾ per cent. Standard Bank 7 per cent. September 15, 1973, 8¼-7½ per cent.

1Short-term rates are call for Sterling, U.S. dollars and Canadian dollars; two-days' notice for Guilders, Marks and Swiss francs.

OVERSEAS SHARE INFORMATION

Investment $ Premium 23 1/16% (23%)

NEW YORK

RAILROADS

INDUSTRIALS, ETC.

Stock	July 27	July 26
Crane	46	47⅛
Creole	23¾	23½
Crowell Collier	10⅛	10⅛
Ling-T'mco-Vght	13⅝	15½
Litton Indus.	86⅝	27⅝
Lockheed Aircr.	10¾	18⅛
Sterling Drugs	45	46¼
Studebaker	67½	59⅝
Crocker Nat. C.P.	36⅛	35⅛
Dividend Shares	†3.69	†3.72
[illegible]	[illegible]	[illegible]

GERMANY

July 27	Price Dm	+ or —	Div. %	Yld. %
6½Fed. Loan(1977)	99⅝	+⅛	6	6.5
A.E.G. Dm.(50)	170.6	+1.6	15	4.7
Allianz V'rsDm50	373	+3	12	1.6
Audi NSU (Dm50)	161.9	+0.9	y—	—
B.M.W. (Dm 50)	190	......	12	3.5
Bad Anilin(Dm50)	132.1	+0.1	22	7.9
Bayer (Dm.50)	135.9	—0.1	20	5.2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

[illegible]

OSLO

[illegible]

PARIS

July 27	Prices Frs.	+ or —	Div. Frs.	Yld. %
Rentes 3½pc 1952	179.9	+1.3	3.5	2.0
Air Liquide	409	—3.9	10.25	2.5
Aquitaine	677	+16	13.64	2.0
Banque Ind. Chine	326	+2.5	2.09	2.5
Beghin	165	......	7.59	4.5
Bouseois Souchon	1,255	+15	21.58	1.7
Charter Cons.	58.65	—0.25	32	2.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS

[illegible]

SWITZERLAND

[illegible]

VIENNA

[illegible]

MILAN

[illegible]

TOKYO

[illegible]

Source Nikko Securities, Tokyo.

STOCKHOLM

[illegible]

COPENHAGEN

[illegible]

AUSTRALIA

[illegible]

JOHANNESBURG

MINES

INDUSTRIALS

TORONTO

[illegible]

MONTREAL

[illegible]

PUBLIC UTILITIES

TRUSTS, BANKS & BONDS

NOTES: Belgian dividends are shown after withholding tax. [illegible] ♦ Ex dividend. ‡ Ex scrip issue. [illegible] a Asked. † Traded. ‡ New stock. [illegible] t Bid.

هكذا من الأصل

STOCK EXCHANGE REPORT

Bigger business in leaders finds market short of stock

Index up 5.2 at year's peak of 413.2—Cunard reacts

ACCOUNT DEALING DATES

Option *First Dealings	Declarations	Last Dealings	Account Day
uly 12	July 22	July 23	Aug. 3
uly 23	Aug. 5	Aug. 6	Aug. 17
ug. 9	Aug. 19	Aug. 20	Sept. 1

* "New time" dealings may take place from 5 p.m. three business days earlier.

Leading equities came in for bigger buying yesterday and, with the market short of stock, gains were often disproportionate to the actual amount of business. Apart from a slight pause around mid-afternoon, when some of the leaders eased a penny or two, the rise never looked in any danger of boiling over and prices at the close were at, or near, the day's best. The Financial Times Industrial Ordinary share index closed 5.2 up at a new peak for the year at 413.2, just beating the previous 1971 "high" of 413.1 touched a week ago last Monday in response to the Chancellor's reflationary measures. The FT-Actuaries All-Share index was at an all-time peak since compilation up 1.3 per cent. at 183.66.

Bid situations and trading statements again provided second-line equities with a host of good features. Cunard, which spurted 10p to 212p late Monday evening on hopes of a counter-offer, quickly tumbled back to 202p yesterday following a statement from Mr. Maxwell Joseph in which he ruled out a bid from a syndicate headed by himself and Mr. Donald Forrester. Elsewhere, a report carried in yesterday's Financial Times that car distributors have experienced a leap in sales since the lifting of hire-purchase restrictions and the tax cuts brought a big demand for car manufacturers and garage issues.

Yesterday's rises-to-falls ratio of two-to-one in all FT-quoted industrials reflected the continuing buoyancy, but bargains marked at 12,897 (14,220) appeared to understate the active interest.

Gilts quiet

British Funds spent a rather quiet day. After drifting lower on small selling, short-dated stocks rallied to close above the worst with falls on the day extending to [illegible]. The short "tap," Treasury 6 per cent., 1975, however, ended ⅛ better at 98⅜. A few small buyers left mediums and longs with scattered gains ranging from ⅛ to ¼ at the close of business. *Corporations also made a quietly* firm showing. The week's £4¾m. batch of 6¾ per cent. one-year Local Authority yearling bonds were comfortably placed at 100.

After Monday's loss of a full point, the investment dollar premium picked up ⅛ at 23⅝ per cent. Dollar stocks were generally easier with International Holdings down 25p at 720p and, among Canadians Brascan 17½p off at 995p and Hudson's Bay 20p down at 965p.

Banks good again

Home Banks continued to move forward strongly in extremely busy trading to close with rises on the day ranging between 13p and 19p, having been about 5p higher at one time. National Westminster, an outstanding performer over the last week, improved afresh to 622p in front of the interim figures and, cheered by the announcement, progressed further to 630p, before falling back to 625p, up 13p on the day. Midland ended 19p to the good at 549p, after 552p, and Barclays 15p higher at 613p, after 618p. National and Commercial rose 5p to 150p and Bank of Scotland improved another 10p to 515p. Brown Shipley were a dull spot in Merchant Banks at 480p, down 30p. Dalton Barton Securities, however, showed satisfaction with the good interim results and closed 12p up at 362p, after 368p.

Composite Insurances moved ahead in thin conditions; "Royals" were 11p firmer at 402p, while Commercial Union added 10p at 470p and General Accident 7p at 183p.

There was a fair two-way business in Breweries at slightly lower levels. Guinness were a bright spot, rising 5p to 166p on news of the proposed sale of Crookes Laboratories to Boots Pure Drug. Still awaiting further developments in the bid situation, Truman Hanbury improved 2p to 418p.

Building issues continued to improve with *Marchwiel*, 8p up at 256p. Bovis, 157p, and Vic. Hallam, 96p, had gains of 5p and 6p respectively, while rises of about 12p were seen in Feb (GB), 56½p, Higgs and Hill, 106½p, and Magnet Joinery, 335p. Also firm were Hewden Stewart Plant at 65p, up 5p. In contrast, *Tariff Construction* dropped 7p more to 55p; the results are overdue. Atlas Stone were also easier at 149p, down 2p, following the interim results and proposed "rights" issue.

After opening at 319p, ICI went straight up to 328p before easing back to 326p and closing 10p up on balance at 328p following a good turnover. Fisons were 6p better at 314p.

Anglia TV "A" were again outstanding at 127p, up 21p, ahead of to-day's interim results.

GEC actively higher

Electricals often moved into higher ground. There was a big business transacted in GEC, which advanced 6½p further to 160p, after being 160p bid. Plessey were a better market at 115p, up 3p, while Reyrolle Parsons added 2p at 165p. Thorn continued to strengthen, adding 9p more at 416p. Following the previous day's 25p advance on the interim figures, Westinghouse Brake rose 8p to 274p. Aerialite were good again, closing 7½p higher at 75p, after 76½p, while A.B. Electronic moved up 7p more to 110p. Chloride, following news of the "rights" offer of Loan stock, were 5p firmer at 105p. Electronic Machine, however, came back 6p to 56p after Monday's 10p rise, while Best and May, having *improved* 7½p *the previous day* on the results, reacted 4½p to 60p.

"Gussies" "A" improved 8p to 439p, while small gains were seen in Marks and Spencer, 307p, and Woolworth, 73p, after 74p. Thomas Marshall, 143p, and Martin the Newsagent, 280p, picked up 5p apiece, while Robert Kitchen Taylor, were 3½p higher at 69p, and Bolton Textile, 2½p harder at 43½p.

Gains of 3p were seen in Norvic, 53p, and W. Timpson, 70p.

Following Press comment on the interim results, A. Herbert closed 4p down at 48p after trading *narrowly* around that level all day. Wolf Tools were favoured and put on 7p to a new 1971 peak of 87p, but Doxford and Sunderland remained an unsettled market, reacting afresh to 37p and closing a little above the worst at 38p, down 5p on balance. Acrow "A" responded to demand in a thin market with a rise of 9p to 195p, while other good spots included T. W. Ward, 9p better at 329p, Triplex Foundries, 7p higher at 73p, and S. Osborn, 12p up at 72p. Mather and Platt improved 3p to 74p in front of to-morrow's results.

Norcros bought

Buyers favoured Norcros, 12p to the good at 181p, while rises of 7p to 10p were seen in Clay Cross, 127p, Unilever, 327p, Turner and Newall, 154p, and J. and J. Dyson, 90p. Drake and Cubitt responded to the chairman's encouraging statement with a rise of 5p at 66p, while Berry Wiggins gained 2p to 42p on the interim statement. Still reflecting Press comment, Aaronson rose 10p further to 312p. After rising to 165p on take-over rumours, Exiel reacted sharply to 146p, up 11½p on balance, following a statement by the company giving details of a proposed deal with Inferex Inc. of America. Still on the bid situation, Miles Redfern rose 5p more to 120p. Profit-taking after the results left RFD Group 3½p lower at 20½p, while Shipping Industrial fell 14p to 252p after news that the company intends to transfer all the shares of its insurance underwriting interests to a new holding company.

Bovril put on 5p more to 393p, *still on hopes of a revised bid* from Cavenham Foods which were 1p lower at 98p; Rowntree Mackintosh closed ½p up at 505p, after 501p. Elsewhere, gains of around 4p were seen in Allied Suppliers, 260p, and Tate and Lyle, 151p. East Kilbride Dairy Farmers jumped 12p to 70p on news that talks were taking place which might lead to an offer for the company. Unigate hardened 2½p to 116½p ahead of to-day's results and Kinloch rose 11p to 373p; the latter's interim results are due soon.

On hopes of an early settlement to the Boardroom dispute, Trust Houses Forte regained 2p at 122p, while Ryans Tourist, 29p, and *Warner Holiday* "A," 22p, had gains of 3p and 1½p respectively.

Reports from a number of car distributors on a sharp rise in sales following the Chancellor's reflationary measures saw a large demand and even bigger inquiry for manufacturers and garage shares. British Leyland touched 47½p in a very good turnover before ending ½p up at 47p, while Henlys, 135p, and Kennings, 98p, rose 8p and 6½p respectively. Prida and Clarke hardened 1p to 99p after the interim results. J. Lucas, in Components, were also helped by the car news and gained 4p more at 272p, while Brown and *Albany* showed *renewed strength* at 164p, up 4p. Dunlop, after touching 151p, fell back to close 1p down on the day at 148p. In Aircrafts, Hawker Siddeley improved 2p to 216p.

Daily Mail "A" stood out in Newspapers with a rise of 15p at 495p. Among Papers, Inveresk eased further to 23p on the interim figure before closing 1p up on balance at 25½p. Peter Dixon put on 5p more at 160p and Letraset were the same amount better at 38p.

Properties scored numerous fresh 1971 "highs" with Beaumont figuring at 109p, up 4p, ahead of to-morrow's interim statement. London Shop were 5p better in sympathy. Edger Investments put on 7½p to 175p, while Hong Kong Land, 210p, and Apex, 54p, gained 10p and 3p respectively.

Shell up again

Oils attracted a good interest *again*, but business was *less active* than on Monday. Shell provided the outstanding feature with a rise of 7p more to 424p, after 428p, on some good buying, while Royal Dutch closed ¼ harder at £22½. B.P.s traded around 620p for most of the day and ended 4p up at 622p. Ultramar, *reportedly looking attractive* to chartists, were firm again at 296, up 6p. Unsettled pending the outcome of the bid for Settle Speakman, Eastern and General Holdings gave up 2p at 46p. Woodside were prominent again among Australian issues with a rise of 6p to 61p, with Mid Eastern up 5p to 33p in sympathy.

Trusts remained firm, with Rothschild Investment again featuring with a rise of 16p to 478p. Drakes continued in favour in Financials, recording a fresh rise of 6p at 190p, while S. Pearson and Son moved up 8p further to 245p. Jessel Securities Deferred were also 8p higher at 166p. Armour Trust gained 4p to 44p.

Cunard react

Buyers came in more strongly for Shippings and several good gains were recorded following an active business. Cunard, however, after the previous evening's late spurt on hopes of a counter-bid, came back 10p to 202p on Mr. Joseph's clarifying statement ruling out the question of a counter offer from his share-buying syndicate. Furness Withy advanced 11p more to 317p and British and Commonwealth 13p to 223p, while P. and O. Deferred ended 6p higher at 174p, after 175½p. Reardon Smith "A" rose 4p to 67p on the *chairman's statement*.

In Tobaccos, "Imps" were quite lively and closed 3p better at 96p, after 97p, but "Bats" came back to 386p before ending 2p off balance at 288p. Gallaher were firm again at 141p, up 2p.

Small gains predominated in Textiles. Courtaulds, up 3p at 134p, made further headway, while G. H. Heath put on a similar amount at 38p. Nova Jersey stood out with a rise of 10p at 245p. British Enkalon were quoted ex "rights" at 85p, with the new shares at 0½ premium.

Golds firm

Although there was no rush of business, Gold shares made a firm showing in line with the free market bullion price. Winkelhaak did well with an advance of 10p to a new 1971 high of 166p. Also good were East Driefontein, 9p to the good at 197p, and West Driefontein which rose 10p to 950p. In the OFS group, St. Helena put on 10p to 563p.

Financials were usually better with Union Corporation rising 5p to 194p and Lonrho gaining 6 to 88p, the latter in front of to-day's interim dividend. "Johnnies," ½ up at £17¼, were again reflecting the firm free market price of platinum and shares of the Rustenburg direct holding companies hardened.

Despite the progress being made towards a general settlement in the U.S. copper workers' strike the metal price was firmer and South Africa's Messina jumped 8 to 266p and the Zambian Roan Consolidated Mines (280p) regained 4p. "Zamanglo" were 3 better at 250p.

In a quiet, but firmer, Australian group, Poseidon improved another £1 to £12 following the signing of the agreement with the Western Australian Government. Otherwise Whim Creek (184p) lost 10p of Monday's recovery. Selcast eased 2p to 83p in front of to-day's Sydney meeting. Elsewhere, Tar closed 20p down at 730p after 700p and Anglo-United were finally 3p off at 63p, after 56p.

FINANCIAL TIMES STOCK INDICES

—	July 27	July 26	July 23	July 22	July 21	July 20	A Year ago
Government Sec.	74.61	74.61	74.30	74.99	74.97	74.23	69.97
Fixed Interest	74.33	74.35	74.14	74.52	74.54	74.55	71.40
Industrial Ordinary*	413.2	408.0	405.7	403.7	404.4	408.9	340.9
Gold Mines	55.3	54.7	54.7	53.9	53.2	53.3	40.6
Ord. Div. Yield pc	3.66	3.71	3.90	3.80	3.61	3.77	4.92
Earnings Yield pc (a)	5.69	5.76	6.20	5.90	5.88	5.91	6.72
P/E Ratio (a)	17.57	17.36	16.97	16.93	17.01	17.21	14.66
Dealings Marked	12,897	14,220	12,580	13,653	14,022	15,909	7,624

*10.30 a.m. 410.6 Noon 412.9 2.45 p.m. 412.7

(a) Based on 40% corporation tax from March 30, 1971. Latest Index 01-248 [illegible]

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	75.74 (16/7/71)	68.95 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	74.77 (16/7/71)	68.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	413.2 (27/7/71)	305.3 (3/3/71)	521.9 (19/9/66)	49.4 (26/6/40)
Gold Mines	61.3 (18/5/71)	52.3 (8/7/71)	100.0 (12/9/55)	44.0 (13/1/71)

S.E. ACTIVITY

—	July 27	July 26
Daily—		
Gilt-Edged	165.6	221.6
Industrials	474.6	517.6
Speculative	160.1	183.1
Totals	293.6	325.7
5-day ave—		
Gilt-Edged	165.1	194.6
Industrials	497.7	524.4
Speculative	180.9	179.1
Totals	506.7	330.4

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. ‡ Corrected figure.

AUTHORISED UNIT TRUSTS (p★★★)

				§ Yield %
) (g) Abacus Management				
Pall Mall, Manchester 2. (061) 832 5027				
nts	35.3	37.3xd	+0.3	3.40
rth Units	30.3	32.3xd	+1.0	3.40
ome Units	29.6	31.3xd	......	7.40
lied Hambro Group				
(c) Allied Investors Tsts. Ltd.				
Bishopsgate EC2 & Billericay (02774) 53169				
ed 1st	48.2	50.7	+0.2	3.76
, Ind 2nd	40.0	01.5	+0.3	3.64
wth & Inc. Tst	30.2	31.9xd	+0.2	3.21
t. & Ion Devel	25.0	26.7	+0.1	5.77
ity	26.9	28.3xd	+0.1	6.08
als & Minerals	31.3	33.6	+0.1	3.20
ed Capital Tst	56.9	59.9	+0.4	3.22
h Income	38.1	40.1	+0.2	4.57
(g) Ansbacher Un. Mg. Co. Ltd.				
Noble Street, E.C.2. MON 4010				
orthAmerican	42.4	46.4	−0.9	1.69
(c) Archway Unit Tst. Ms. Ltd.				
St. Mary Axe, E.C.3. 01-283 4141				
hway Cap. Fd.	107.5	112.7	......	1.25
hway Inc. Fd.	117.9	123.6	......	3.63
ces on July 21. Next dealing Aug. 18.				
(g) Barclays Unicorn				
icorn Hs 252 Romford Rd.E.7. 01 534 8521				
Castle Street, Edinburgh 2. CAL. 6739				
corn Capital	63.0	00.2	+0.6	2.07
Exempt Trust	58.3	60.6	+0.6	4.34
Financial	50.7	53.3	+0.2	2.26
General	95.2	22.3	+0.3	3.57
Growth Acc.	30.0	39.3	+0.1	6.60
Income Trust	52.5	65.3	+0.7	4.52
Progressive	53.2	63.1	......	2.66
Recovery	90.8	27.2	+0.2	3.65
Trustee Fund	97.4	102.6xd	+0.5	3.31
"500" Trust	46.2	47.0	+0.3	4.24
l at July 15. Next sub. day Aug. 2.				
(x) Baring Brothers & Co. Ltd.				
Bishopsgate, E.C.2. 01-588 2830				
ton Trust	142.0	146.4	......	2.87
um. Units	148.4	158.8	......	8.27
Next subscription day Aug. 4.				
hopsgate Progressive Mgmt. Co.				
Bishopsgate, E.C.2. 01-588 6280				
opsgate Prog.	129.0	153.0	......	2.30
cum. Units	103.0	138.0	......	2.35
es at July 26. Next sub. day Aug. 3.				
Not available to public generally.				
(c) W. Brandt's Son & Co. Ltd.				
Fenchurch Street, E.C.3. 01-626 6599				
ta Cap.	105.2	109.2	......	1.89
Accum.	106.2	110.2	......	1.99
ds Inc.	107.4	111.4xd	......	6.77
Next subscription day July 29.				
(c) Bridge Tst. Mgmnt. Co. Ltd.				
Monument Street, E.C.3. 01-623 7338				
ge Income	138.0	144.0	......	4.87
ge Capital	136.0	141.0	......	2.28
rices on July 28. Next dealing —.				
The British Life Office Limited				
Coleman Street, E.C.2. 01-606 7611				
British Life	44.0	46.2	+0.6	3.78
Whitefriars St., EC4Y 8AL. 01-353 6780				
Capital (Acc)	30.5	32.1	+0.9	1.86
Dividend	01.0	39.8	+0.0	0.10
Balanced	31.8	33.8	+0.8	8.68
Upp't'rt Acc	28.5	31.2	+0.8	9.60
es on July 28. Next dealing Aug. 4.				
(c) Brown Shipley & Co. Ltd.				
rs: Founders Court, E.C.2. 01-600 8520				
n Ship Fund	135.7	141.7	......	2.01
n Units	138.3	143.6	......	2.01
es on July 19. Next dealing Aug. 2.				
(c) Carliol Unit Fd. Mgrs. Ltd.				
urn Hse., Newcastle-upon-Tyne. 21165				
iol July 14	102.7	54.7	......	2.56
(g) Cavalier Securities Ltd.				
Old Broad St., EC2N 1AL. 01-588 1750				
alier Inc.Fund	32.3	34.1	+0.4	4.93
alier Acc.Fund	29.8	31.0	+0.4	5.63
rterhouse Japhet				
Southwark Street, S.E.1. 01-928 9391				
rterhouse Cap	26.2	28.2	......	9.21
Cap. Accum.	27.0	28.4	......	8.91
terhouse Inc.	33.0	34.2	......	4.54
es on July 21. Next dealing July 25.				
cretionary Unit Fd. Managers				
Copthall Chambers, E.C.2. 01-600 8263				
Inc. July 23	83.7	27.9	......	5.00
Acc.	88.2	91.9	......	5.00
wgate Fund Managers Ltd.				
dalo Hill House, E.C.4. 01-236 5608				
gate Fund	139.0	145.0	......	2.48
Fund Managers				
Fenchurch St., EC3M 6BX. 01-623 7585				
Dealing: 01-407 3276				
Growth Fund	30.4	39.5	+0.7	2.29
The Ebor Group				
(g) Ebor Securities Ltd.				
, King Street, E.C.2. 01-551 6092				
al Accum'ing	49.8	93.7	+0.7	1.99
mmodity	37.3	39.5	......	5.91
ncial	36.7	38.0	+0.1	2.08
erty & Bldg.	70.3	74.4xd	−0.1	5.39
h Return	66.3	70.2xd	......	6.80
eral	43.6	48.4	+0.6	3.06
Plus Ch'rt's*	106.2	111.3xd	−1.1	0.70
eral Growth	31.2	33.5	......	1.35
ice only July 28. Next dealing Aug. 4.				
(h) The Edinburgh Secs. Co. Ld.				
elville Cres., Edinburgh 3. 031-226 4931				
ent Fund	27.8	29.1	+0.0	1.72
IncomeFund	30.5	32.1	+0.3	4.98
Mutual L Fund	33.0	33.6	−0.1	0.91
Emblem Fd. Mngmt. Co. Ltd.				
Copthall Avenue, E.C.2. 628 6605				
blem July 20	53.0	55.0	......	2.56
Next subscription day Aug. 3.				
Not available to public generally.				

				§ Yield %
(D) (b) (c) Equity & Law Un. Tr. M.				
Amersham Rd., High Wycombe, Bucks. Tel. High Wycombe 33315				
Equity & Law Unit	48.6	51.1	+0.6	2.41
Family Fund Managers Ltd.				
16, Coleman St., London, E.C.2. 01-606 7611				
The Family Fund	62.6	65.6	+0.5	2.46
(e) First Provincial Group				
21, Spring Gardens, Manch. 061-832 3856				
High Distribution	33.3	35.0	+0.2	5.20
Reserve Units	39.1	41.1	+0.3	2.65
Framlington Unit Mngmt. Ltd.				
4, South Place, E.C.2. 01-628 4966				
Frm'ltn UtJuly16	46.4	48.9	......	3.65
Friends' Provdt. Unit Tr. Mgrs. Ld.				
7, Leadenhall Street, E.C.3. 01-626 4511				
Friends Prov Uts.	32.0	33.9	+0.3	2.47
Do. Accum. Units	32.9	34.8	+0.4	2.47
G. T. Unit Managers Limited				
16, St. Martin's-le-Grand, E.C.1. 01-606 3601				
G.T. Cap Inc.	56.9	59.4	+1.0	2.40
Do. Acc.	59.9	62.4	+1.1	2.40
(e) (g) G. & A. Unit Tst. Mgrs. Ltd.				
41 Bishopsgate, EC2 Billericay (02774) 53169				
G. & A.	25.9	27.3	+0.1	3.11
Govett (John)				
77, London Wall, E.C.2. 588 5620				
St'ckh'lders Jul16	121.8	150.4xd	......	1.30
Do. Accum Units	134.9	144.0	......	1.30
Next dealing day July 30.				
Guardian-Hill Samuel Unit Mngrs.				
100, Wood Street, E.C.2. Nat. 8011				
(a)(g) GuardHillTst	79.9	21.8	+1.0	3.06
(e) (g) Hambro Abbey Secs. Ltd.				
41, Bishopsgate, London, E.C.2. 588 2851				
Hambro Abbey	38.0	40.0xd	+0.2	1.96
Do. Income Tst.	37.3	38.0	+0.3	4.64
(e) Hambros Unit Tst. Mgrs. Ltd.				
41, Bishopsgate, London, E.C.2. 588 2851				
H. Fund July 20	91.0	80.4	......	3.05
H. Recovery Jly20	69.0	71.0	......	3.18
H. Smaller July 20	168.6	185.4xd	......	3.00
Sec. of Am. July 1	43.8	47.0xd	......	1.05
Henderson Administration				
38, Austin Friars, E.C.2. 01-588 5074				
(a) Cabot (July 7)	66.8	68.0	......	2.87
(g) H'dGrossJune26	193.0	120.5	......	8.38
(D) Hill Samuel Unit Tst. Mgrs.				
P.O. Box 173, Croydon, CR9 6AL. 681 1031				
(b) British Trust	103.4	140.6	+1.7	2.28
(g) Int'n'l Trust	104.7	110.5xd	−0.3	1.01
(g) Dollar Trust	40.7	43.8	−0.7	0.64
(b) Capital Trust	219.5	228.8xd	+2.0	1.88
(b) Financial Trust	66.8	68.9	+0.2	1.98
(b) Income Trust	168.9	170.9	+5.0	4.07
(b) Security Trust	40.6	42.2	+0.5	2.78
(n) (g) Intel				
15, Christopher Street, E.C.2. 01-247 7343				
Intel. Inv. Fund.	76.0	80.6	+0.6	8.84
Ionian Unit Trust Mngmt. Ltd.				
64, Coleman Street, E.C.2. 01-638 5666				
Ionian Growth Fd	131.0	136.0	......	3.27d
Prices at July 13. Next deal. day Aug. 5.				
(n) (g) Janus Securities Ltd.				
117, Old Broad St., EC2N 1AL. 01-588 1750				
Raw Materials	26.8	28.4	−0.1	6.99
Janus Growth	22.7	84.2	......	8.30
JanusSel.Inv.Tst.	20.1	21.0	......	2.10
Income Fund	27.6	29.6	+0.4	4.64
Jascot Securities Ltd.				
21, Young St., Edinburgh 2. 031-225 6762				
Jascot Cap. Fund*	85.3	80.5	......	0.00
J'sc't Sect. L'drs††	30.3	31.0	+0.4	8.00
J'sc'HntGwthFd†	30.2	31.8	......	1.48
Jascot Com'dity**	28.0	38.0	......	10.17
Dealings *Tue. ††Wed. †Thurs. **Fri.				
(e) (g) Jessel Britannia Group				
155, Fenchurch St., EC3M 6BX. 01-623 7585				
Dealing: 01-407 3276				
JesselCap.Growth	32.6	34.1	+0.3	0.43
Jessel City of Lon.	51.8	53.1	+0.0	8.31
Jessel Gold & Gen.	82.0	88.0	+0.7	8.86
Jessel Inc. Units	37.3	39.7	+0.3	3.95
Jessel Inv. Units	27.8	28.0	+0.2	2.02
Jessel New Issues	41.2	43.2	+0.2	8.06
Jessel Plant&Gen.	31.2	32.0	−0.1	5.76
Jessel Prop.&Gen.	13.0	15.0	+0.1	1.93
Extra Income	22.0	30.9	......	8.30
Commodity Plus	37.0	39.4	−0.2	8.36
Brit. Basic C'mdty	40.6	43.0	......	8.05
Brit. General Fund	34.3	39.4	......	5.22
TheSelectiveFund	39.7	48.1	+0.1	3.90
(D) (g) Key Fund Managers Ltd.				
1, Angel Court, E.C.2. 01-606 7070				
Key Capital Fund	64.8	87.9	+0.7	2.60
Key Income Fund	51.5	94.7	+0.5	5.00
Kleinwort Benson Unit Tst. Mgrs.				
20, Fenchurch Street, E.C.3. 01-626 1531				
K.B.UnitFundInc	55.4	59.4	......	3.46
K.B.UnitFd Accm	55.4	59.4	......	—
Next subscription day Aug. 0.				
Legal & General Tyndall Fund				
18 Canynge Road, Bristol. 0272 32241				
Dist.units(July14)	50.0	62.4	......	3.99
Acc. units(July14)	50.4	52.6	......	3.99
Next subscription day —				
(y) Lloyds Bank Unit Tst. Mngrs.				
71, Lombard Street, E.C.3. 626 1500				
L.B. First Inc.	43.2	45.9	+0.4	2.99
Do. (Accum)	48.3	50.2	+0.4	8.86
L.B. Second (Inc.)	46.1	48.3	+0.3	9.64
Do. (Accum)	48.6	30.8	+0.3	2.64
L.B. Third (Inc.)	51.1	63.7	+0.4	4.16
Do. (Accum)	51.9	64.0	+0.4	4.19
(D) (g) London Wall				
5, Angel Court, E.C.2. 01-606 7901				
Capital Priority	62.3	65.6	+0.9	1.24
Export Priority	31.6	33.4	+0.2	2.95
Financial Priority	60.4	64.0	+0.5	1.71
Do. (Accum)	61.6	63.4	+0.5	1.71
High Inc. Priority	36.0	37.7xd	+0.4	4.84
High Inc. Scotland	26.5	00.3	+0.4	4.67
(z) L'ndn&Wall St.	27.3	28.0	......	9.50
Special Sits.	20.0	91.2	+0.1	1.70
Stronghold Units	37.5	39.8	+0.9	2.57

				§ Yield %
(o) *Mallet & Wedderburn Ltd.*				
52, Lombard Street, E.C.3. 01-626 1091				
(b) Overseas Units	27.9	28.9xd	+0.2	1.72
Minster Fund Managers Ltd.				
Minster House, E.C.4. Phone 623 1050				
Minster Fd July 23	40.7	42.0	......	3.20
Morgan Grenfell Funds				
15, Christopher Street, E.C.2. 01-247 7243				
Capital Fd July 23	111.0	114.0	......	2.29
*Instr Ages Jly 15	£12.00	12.20xd	......	2.58
* Next subscription day August 12.				
(x) (c) (z) M. & G. Group				
Lee House, London Wall, E.C.2. 606 4332				
See also Stock Exchange Dealings				
M. & G. General	113.1	118.2xd	+0.3	3.62
(Accum. Units)	137.6	144.9	+0.7	3.02
M. & G. Second	92.5	103.5xd	+0.2	3.47
(Accum. Units)	120.2	126.1	+0.3	3.47
M.&G. Mid.&Gen.	91.0	86.6	+0.9	4.15
(Accum. Units)	112.6	117.3	+0.7	4.15
M. & G. Dividend	67.1	69.8	+0.7	3.96
(Accum. Units)	28.7	82.2	+0.8	6.96
M. & G. Special	79.0	83.2	+0.7	2.46
(Accum. Units)	83.1	87.5	+0.7	2.46
M&G MagnumFd.	153.4	168.0xd	+0.9	1.84
(Accum. Units)	152.4	197.3	+0.9	1.84
M. & G. F.I.T.S.	54.8	57.1	+0.2	1.99
(Accum. Units)	37.0	59.3	+0.2	1.29
M.&G. Compound	03.3	00.4	+0.4	1.90
M. & G. Recovery	70.1	73.8	+0.9	9.83
M. & G. Japan	30.0	58.7	+0.8	0.97
Trustee Fund	97.3	101.9	+0.7	3.59
(Accum. Units)	130.8	139.2	+0.8	3.59
Charifund July 27	212.3	221.9	+1.7	4.15
Pension July 26	104.7	108.4	......	3.30
M. & G. (Scotland) Ltd.				
120, Vincent Street, Glasgow C.2. 221 3311				
Clyde General	55.2	57.4	+0.2	4.02
(Accum. Units)	08.7	82.1	+0.6	4.08
Clyde High Inc.	48.7	50.7xd	+0.1	5.76
(Accum. Units)	63.8	06.1	+0.1	3.76
(e) (g) Mutual Unit Tst. Managers				
4, Tokenhouse Bldgs., E.C.2. 01-606 4803				
Mutual Sec. Plus	42.0	44.4	+0.4	3.56
Mutual Inc. Trust	44.7	46.8	+0.2	4.00
Mutual Blue Chip	38.5	40.0	+0.9	3.20
MutualHighYield	30.1	01.7	+0.1	0.91
(e) (g) National Group				
3-5, Norwich Street, E.C.4. 01-405 8591				
Domestic	38.0	40.8	+0.3	3.87
Gas Ind. & Power	48.3	50.6xd	+0.5	4.90
Natb'fe	64.4	07.6	+0.4	8.78
Nat High Income	48.9	31.3	+0.3	5.80
N.O.F.I.T.S.	48.9	31.4	+0.6	2.24
Natural Resources	47.0	50.3	+0.1	7.45
Scot. Units	00.8	35.3	+0.1	3.82
Security First	08.4	00.2xd	+0.4	3.98
Shamrock	48.5	01.1xd	+1.0	4.00
Shield	40.8	43.1	+0.2	8.06
National Provident Inv. Mgrs. Ltd.				
48, Gracechurch Street. 01-623 4200				
N.P.I.Gth.UnitTt	05.6	37.6	+1.9	2.50
Next dealing Aug. 11.				
(n) (g) NEL Trust Managers Ltd.				
Milton Court, Dorking, Surrey. 5911				
Nelstar	33.2	68.1	+0.6	8.08
(n) (g) Oceanic Managers				
11, Copthall Court, E.C.2. 01-638 9094				
General	27.8	29.9	+0.2	0.40
Financial	38.3	34.3	+0.4	2.98
Growth	43.8	46.4	+0.5	3.68
High Income	23.9	25.3	+0.2	3.98
I.T.U.	20.8	27.3	+0.2	9.47
Overseas	23.7	25.1xd	+0.2	3.80
Performance	08.3	41.0	+0.8	3.00
Progressive	83.4	24.8xd	+0.2	3.31
Recovery	22.3	23.7	+0.5	4.11
(e) Pan-Australian Unit Trust				
65, London Wall, E.C.2. 01-638 0801				
Pan.Aust. July 22	30.8	06.7	......	1.80
(Accum. Units)	41.0	43.4	......	1.80
(n) (g) Pearl-Montagu T. Mgrs. Ld.				
37-45, Tooley Street, S.E.1. 01-407 3276/8751				
Pearl-MontaguTst	33.7	30.0	+0.4	3.82
(Accum. Units)	36.1	39.2	+0.4	9.82
(x) Pelican Units Administrn. Ltd.				
21, Spring Gdns., Manchester. 061-832 3056				
Pelican Units	02.0	54.0	+0.8	3.80
(D) (b) Piccadilly Unit T. Mgrs. Ld.				
1 Love Lane, London EC2V 7JJ. 01-606 8744				
Extra Inc'me Unit	27.2	22.5	......	8.50
Portfolio Fund Managers Ltd.				
10, Charterh'se Sq., EC1M 6JU. 01-251 0544				
Portfolio Capital	70.2	74.3	+0.5	2.71
Growth with Inc.	02.8	66.5xd	+0.0	3.70
(y) (c) Practical Invest. Co. Ltd.				
Lon. Hse., Crutched Friars, E.C.3. 623 8893				
Practical (July 21)	123.4	122.7	......	2.35
(Accum. Units)	143.9	151.0	......	2.55
Provincial Life Invest. Co. Ltd.				
100, Cannon St., London, E.C.4. 01-626 0577				
Prolific Units	51.2	54.5	......	2.55
(o) (b) (c) Prudntl. Unit Tst. Mgrs.				
Holborn Bars, EC1N 2NH. 01-405 9222				
Prudential	91.0	05.6	+0.6	2.99
(D) Rthchld. & Lwnds. Mgrs. Ltd.				
New Court, St. Swithin's Lane, Ldn., EC4				
NewCt.Ex'mpt Tst	£108	£113	......	3.00
Price on July 15. Next dealing Aug. 16.				
(e) (g) Save and Prosper Group				
4, Gt. St. Helen's, London, E.C.3. 588 1717				
Dealings to 01-554 8899				
(z) Atlantic Units	77.1	82.8	−0.8	0.25
Capital	33.8	35.9xd	+0.1	1.51
(z) Cross Channel	52.3	30.3	+0.1	1.03
Financial Sec. Fd.	59.6	53.2	......	2.42
General Units	39.1	41.0	......	3.00
High Yield Units	38.7	40.9	+0.0	4.75
Income	30.9	30.0	+0.6	5.25
Insurance		51.3	+0.4	9.07
Investment Trust	23.6	27.1	+0.1	1.92
(z) JapanGrthFwd	33.0	35.3	......	0.34
Trident Units		65.8	+0.4	2.17

				§ Yield %
J. Henry Schroder Wagg & Co. Ltd.				
120, Cheapside, E.C.2. 01-588 4000				
Capital (July 20)	105.3	108.9	......	2.04
(Accum. Units)	110.2	113.0	......	2.04
Income (July 20)	114.5	117.2xd	......	4.58
(Accum. Units)	123.6	126.7	......	4.58
General (July 21)	62.5	64.5xd	......	2.59
(Accum. Units)	64.7	66.7	......	2.39
Europe (July 20)	31.0	32.5	......	1.58
(Accum. Units)	31.0	32.5	......	1.38
*P'n Chty Jly20	139.3	142.4xd	......	2.98
*Special Ex. July 6	146.2	148.7	......	3.44
*Recovery (July 6)	129.6	123.4	......	3.92
* For tax exempt funds only.				
Scotbits Securities Limited				
Erskine Hse 68-73 Queen St. Edin. EH2 4NX				
(London Office: Perth Rd., Ilford, Essex)				
Telephone Nos.: 031-226 7351 (Edinburgh) 01-554 2237 (Ilford)				
Scotbits	48.4	51.6	+0.2	3.01
Scotyields	41.1	43.5	+0.5	4.09
Scotshares	44.4	47.0	+0.6	2.82
Scotfunds	168.2	166.1	+0.4	1.36
Scotgrowth	43.9	46.5	+0.3	2.12
Scotincome	36.1	32.2	+3.5	5.04
*Scotexempt G'th	139.3	144.6	+0.6	1.69
*Scotexempt Yld.	116.6	122.8	[illegible]	3.86
*Scotlaps	119.5	122.6	+3.0	3.99
* Prices at July 28. Next dealing Aug. 11.				
(e) Slater Walker Tst. Mngmt. Ltd.				
37-45, Tooley Street, S.E.1. 01-407 3276				
S. W. Growth	44.9	47.6	+0.4	3.36
S. W. Assets Trust	33.0	34.7	−0.1	3.78
S. W. Capital Acc.	25.9	27.6	+0.1	2.84
S.W. Financial Tst	24.7	26.0	+0.1	3.00
S.W. High Income	41.7	43.5	+0.2	9.04
(e) (g) Surinvest Fund Mgrs. Ltd.				
37-45, Tooley Street, S.E.1. 01-407 3276				
FutureIncomeFd.	34.1	36.0	+0.1	4.19
Growth Fund	43.6	50.7	+0.5	4.27
PerformanceFund	10.9	18.0	+0.1	3.31
Raw Materials	46.5	61.2	......	3.26
(n) (g) Target Tst. Managers Ltd.				
73, Basinghall Street, E.C.2. 01-606 8494				
9-11, The Hayes, Cardiff. Car. 23309				
19, Atholl Crescent, Edin. 3. 031-229 8621-3				
Target Consumer	33.5	35.4	+0.2	3.11
Target Financial	31.2	54.2	......	6.46
Target Equity	35.2	37.9	......	3.90
Trg't Ex'pt July 28	134.1	137.5	+2.4	3.87
Do. Acc. Units	130.8	140.3	+2.4	3.97
Target Growth	32.7	34.8	+0.1	1.93
Target Invest.Tst.	25.7	27.1	+0.1	2.88
Target Pro(July 28)	151.1	155.8xd	+1.0	2.05
Target Income	20.0	21.9	+0.2	3.81
Target Preference	15.6	10.5	......	2.57
(n) (g) Target Tst. Mgs. (Scotland)				
19, Atholl Crescent, Edin. 3. 031-229 8621-3				
Target Eagle	23.8	23.0	......	2.00
Target Thistle	03.4	30.8	+0.4	4.45
Trades Union Unit Tst. Managers				
100, Wood Street, E.C. 01-628 8011				
T.U.U.T. July 1	43.6	46.3	......	3.05
Transatlantic and Gen. Secs. Co.				
69, New London Road, Chelmsford. 51651				
Barbican (July 22)	78.5	88.0xd	......	0.67
Do. (Accum. Units)	94.0	98.2	......	3.07
Buckingm (Jly 22)	84.7	07.4xd	......	8.71
(Accum. Units)	65.0	68.4	......	2.71
GlenFund(July 27)	60.8	63.5	+0.6	2.80
(Accum. Units)	08.8	00.2	+0.7	9.86
Merlin (July 28)	64.8	97.3xd	......	2.30
(Accum. Units)	60.8	68.0	......	2.60
Vanguard(July 27)	43.8	46.4	+0.5	8.81
(Accum. Units)	45.7	48.3	+0.6	2.81
(e) (g) Trustees & Profssn. Fds.				
37-45, Tooley Street, S.E.1. 01-407 8751				
Tru. Prof. (Capt)	20.6	81.0	+0.2	8.78
Tru. Prof. (Inc.)	26.8	87.2	+0.5	5.03
Tyndall Managers Ltd.				
18, Canynge Rd., Bristol. 0272 32241				
Tyndall Fund prices of June 30.				
IncomeDist. Units	81.4	84.6	......	6.60
Do. Acc. Units	107.4	110.8	......	5.20
Cap. Dist. Units	118.4	113.8	......	9.00
Do. Acc. Units	130.5	134.5	......	2.03
Exempt Dist Units	96.0	99.0	......	0.08
Do. Acc. Units	105.4	108.0	......	3.02
L'e'lA'thDisUnits	84.2	86.8	......	2.70
Do. Acc. Units	90.0	92.8	......	8.79
Next subscription day July 28.				
Tyndall Nat. and Co.—Prices at July 14.				
IncomeDist. Units	113.8	118.0	......	3.95
Do. Acc. Units	181.0	120.0	......	3.90
Capital Dist. Units	124.8	126.2	......	2.73
Do. Acc. Units	130.0	134.8	......	9.73
Next subscription day July 28.				
Tyndall Managers Ulster Ltd.				
c/o Harris Marian & Co. Ltd., 140-142, Great Victoria Street, Belfast. BT2 7BY Belfast 42131.				
Ulster Fund. Dist.	66.0	68.8	......	2.31
Do. Accum	67.6	70.4	......	6.51
Prices at June 30. Next sub. day July 28.				
(y) TSB Unit Trust Managers Ltd.				
10, Coleman Street, E.C.2. 01-606 2664				
(b) TSB Units	34.2	36.6xd	......	2.67
(b) Do. Accum.	36.6	36.6	......	2.57
(D) (g) Ulst. Hambro Tst. Mgrs. Ld.				
Waring Street, Belfast. Tel. 0232 35232				
(b) Ulst'r HamGth.	33.9	38.1	+0.3	2.21
(e) (g) Vavasseur Group				
37-45, Tooley Street, S.E.1. 01-407 8751				
Capital Accum.	24.1	25.9	+0.2	2.96
Capital Expansion	34.0	36.2	+0.3	2.20
Commonwealth	86.1	01.3	+1.0	2.94
Inv. Tst. Units	105.3	108.0	+1.0	0.80
S't'rl'se Gr'wthFd	124.8	128.0	+1.0	9.63
EssentialMinerals	23.2	27.3	+0.2	3.13
Financial Fund	28.1	29.6	+0.0	8.90
High Income	34.0	36.2	+0.5	8.30
Ind. Achievement	31.7	33.7	+0.3	9.07
Leisure Fund	33.9	36.0	−0.1	9.70
Midlander	29.9	31.8	+0.2	9.93
Oil & Energy	30.4	32.7	+0.3	2.46
Orthodox	98.9	104.2	+1.1	3.20
(D) (g) Westminster Hambro Tst.				
41, Bishopsgate, E.C.2. 01-588 2851				
Capital (Acc.)	47.8	50.4	+0.1	1.85
Income	28.5	29.9	+0.1	3.79
Financial	32.5	34.0xd	......	9.26
Growth Inv.	73.1	76.6xd	+0.4	2.50
Unisaving Bonds 32.6971.				

OFFSHORE AND OVERSEAS FUNDS (p★★★)

				§ Yield %
Albany Management Co. Ltd.				
Utility Bs. PO Box 463, Hamilton, Bermuda				
Albany Fund Ltd.	£24.01	£5.30	......	1.00
American Express Inv. Mngmt. Co.				
154, Edward St., Brighton, U.K. BRI. 685411				
Am.Sp'ss. Int Fd.	$0.07	2.06	−0.07	—
Anchusa Co. Ltd.				
P.O. Box 195, Hamilton, Bermuda.				
Japan Gr'wthFnd	US$9.76	10.35	......	—
Do. Do. Stg.Tu.	90.0	99.0	......	—
Australian Selection Fund N.V.				
Lond. Agent Southern Cross Mgmnt., Ltd. 65, London Wall, E.C.2. 01-638 0801				
U.S. $10 Shares	US$7.00		......	—
Next subscription day July 29.				
Banque de L'Union Parisienne				
6-8, Bd. Haussmann, Paris 9e.				
Tokyo Valour	$12.22		......	—
July 21, 1971. Div. $0.3 per share.				
Bk. of London and S. America Ltd.				
40-66, Queen Victoria St., E.C.4. 01-248 9822				
Alexander Fund	US$9.71		−0.09	—
Haussmann Hldgs	US$8.758		......	—
StanhopeTr'ns Fd	US$13.13		−0.23	0.76
Net asset value.				
Brandt & Grindlay (Jersey) Ltd.				
31, Broad St., St. Helier, Jersey. 0534 35446				
W. Br'ds.Jer'y Fd	122.2	126.2	......	4.60
Do. (Acc.)	125.4	128.4	......	4.60
Next subscription day July 28.				
Bridge Management Ltd.				
P.O. Box 4715, Nassau, N.P. Bahamas.				
NipponFdJly21	US$19.70	19.64	......	1.23
Butterfield Management Co. Ltd.				
P.O. Box 195, Hamilton, Bermuda.				
ButtressInt. Doll'r	$0.79	0.62	......	1.09
Do. Sterling (1)	36.0	38.0	......	1.53
Do. Sterling (2)	33.0	35.0	......	1.09
Price at June 12. Next sub. day Aug. 9.				
Capdirex S.A.				
15, Rue Marignac, Geneva (022) 46 62 88				
Fonselex	Sw. Fr. 2,565		......	0.64
Charterhouse Japhet				
1, Paternoster Row, E.C.4. 01-248 3999.				
Hispano	$30.85	32.06	......	0.89
G.O'seas Sw. F.	155.63	142.00	−0.50	8.05
Darling Management Ltd.				
50, Young St., Sydney, N.S.W., Australia				
Darling Fund	A$17.60	18.80	......	—
Delta Group				
P.O. Box 1447, Nassau, Bahamas.				
Delta Dr.Fd. Jly.20	$12.44		......	—
*Delta Inv. July 20	110.0	120.0	......	—
DeltaUnit July 20	130.0	144.0	......	—
* See also Stock Exchange Dealings.				
Development Finance Cpn. Ltd.				
9, Kingsway, W.C.2. 836 9703.				
Dolfin Australian	0.21	0.29	......	3.13
Diploma Fund Management Ltd.				
La Colomberie Court, St. Helier, Jersey, C.I.				
Diploma Int'l Fd.	88.8	31.4	......	—
Dreyfus Intercontinental Inv. Fd.				
P.O. Box N3712, Nassau, Bahamas.				
Net asset value July 29, $U.S.12.70-13.92.				
The Dreyfus Offshore Trust N.V.				
P.O. Box N3712, Nassau, Bahamas.				
Comm. Stock	U.S.$11.77*		......	—
Part Deb. Prem.	U.S. $ nil*		......	—
* N.A.V. July 21.				
Ebor Management (Jersey)				
37, Broad St., St. Helier, Jersey. 0534 20591				
Channel Cap.	103.6	110.2	+0.5	1.21
Channel Island	07.0	70.9xd	+0.1	4.02

				§ Yield %
Eurosyndicat Group				
Eurunion Lux F.	1.928	2.005	+44	3.14
Finance Union Lux F.	537	558	−4	3.05
For Sterling Dealing Prices contact London Agents N.M. Rothschild & Sons, Ltd., 626 4356, Hill Samuel & Co. Ltd. 628 8011.				
Fidelity Mangmt. & Research Co.				
Boston, Massachusetts.				
FidelityTrend Fd.	$24.57	26.85	......	2.27
Do. Capital Fd.	$12.10	13.22	......	9.64
Fidelity Mangment. and Research (Bermuda) Limited				
Fidelity Int. Fnd.	$14.81		......	—
FidelityP'cific Fd.	611.31		−0.22	—
For additional information contact Julius Baer International Ltd. 38, Mincing Lane, E.C.3. 01-626 5182				
First Investor & Savers Vln. Agts.				
15-16, America Square, E.C.3. 01-488 4511				
Aus.Ld&Prop Fd.	*$9.79		......	—
*Net asset value June 30.				
First Inv.Am.Trt.	*U.S.$8.94		−0.16	—
* Net asset value July 23.				
F.I. Int.Mng Pet.	*U.S.$9.74		......	—
* Net asset value July 22.				
Fleschner Becker Fund N.V.				
N. T. Butterfield and Son (Bermuda) Ltd.				
New Pref. Share	*$12.94		......	—
* Net asset value June 30 after giving effect to a one for one stock dividend.				
Fonds Fidncem International				
Distributed by the Banque de Bruxelles, Brussels.				
Obtainable through London Banks.				
F.F.I. (Belg. F.)	1,374	1,434	......	2.44
Frontier Management Ltd.				
50, Shirley St., Nassau, Bahamas.				
Frontier Gr'th Fd	U.S.$7.57		−0.05	1.06
Frontier Trust	U.S.$10.79		......	—
Frontier Inc. Fd.	U.S.$9.03		......	5.19
IIIGroup Fd.S.A.	U.S.$19.51		−0.06	—
Fund of Australia Man. Co. Ltd.				
P.O. Box 1011, Hamilton, Bermuda.				
Sterling Fund	A$4.09		......	—
U.S. Dollar Fund	U.S.$3.41		......	—
Real Estate Fund	A$7.04		......	—
G. T. Bermuda Ltd.				
Bk. of Bmda., Front St., Hmltn. Brmda.				
Berry Pacific Fd.	*12.20		......	—
D.T. Dollar Fund	611.29		......	—
N.A.V. July 21.				
Grimshawe Tst. Management Ltd.				
63 Athol St., Douglas, IoM. Douglas 4682				
Isle of Man Trust	29.2	30.2	......	3.60
* N.A.V. July 17.				
Hambros Inv. Mn. Ser. Vln. Agts.				
41, Bishopsgate, E.C.2. 01-588 2851				
Ch. Is. Fd. July 1	124.4	128.2	......	2.00
Ch.Is.EtFdJune15	43.3	43.2	......	50.02
HambroO'seas Fd.	U.S.$8.20		......	—
Hill, Saml. & Co. (Guernsey) Ltd.				
8 Lefevre St., St. Peter Port, Guernsey C.I.				
Guernsey Trust	133.4	140.6	+1.7	1.68
Hill, Samuel Overseas Fund S.A.				
37, rue Notre-Dame, Luxembourg.				
Net Asset Value at July 15 1971	U.S.$10.73		......	—
Intermarket Fund 1				
59, Boulevard Royal, Luxembourg.				
Intermarket Jly22	U.S.$118.85		......	—
Further information is available to Dealers from British and Continental Banking Co., Ltd., 54, New Broad St., E.C.2. 01-588 8591				
Internatl. Capital Management Ltd.				
Regency House, Valletta, Malta.				
Med.Inv.Fd(G'th)	32.0	36.6xd	......	1.80
Med.Inv.Fd.(Inc)	22.9	25.0xd	......	5.00

				§ Yield %
Investors Diversified Services				
Bertigny 6, Fribourg C.H. Tel. 2-25-201.				
CARIBICO N.V.	$10.46		......	—
Jardine Fleming & Co. Ltd.				
22, Pedder Street, Hong Kong.				
JardineEast'n Fd†	HK$121.83		......	3.28
† NAV June 30. Next sub. day July 30.				
Jardine Japan F.	HK$148.04		......	1.35
* NAV June 30. Equiv. U.S.24.43. Ex$Pm.				
Next sub. day July 30.				
Kleinwort Benson Ldn. Agents				
20, Fenchurch Street, E.C.2. 01-626 1531				
*EMIFSA	$9.80		−0.07	—
*Eurinvest Lux. F	980	1030	+11	2.39
†Guernsey Inc.	44.6	48.2	......	2.77
† Do. Accum.	46.7	30.6	......	—
*Interitalia Lire	7,245	7,915	+11	4.52
*Interrer Sw. F.	54.24	66.70	......	3.57
*KB Internat'l Fd.	611.65		......	1.29
*KB Japan Fund	612.31		−0.57	—
ΦSignet Bermuda	$4.23		+0.01	—
*Unifonds (G) Dm	26.99	27.20	+0.10	6.73
* Prices not allowing for Inv. $ Premium.				
London & Dominion Tst. U.K. Ltd.				
31 St. Paul's Churchyard, E.C.4. 248 0701				
Fonditalia	$10.22		−0.02	—
FundsofF'ds St'lg	196.41		+1.53	—
Fund of Funds	$8.63-xss's'tn		−0.04	—
I.I.T.	$7.00		−0.01	—
Investors Funds	DM18.11		+0.07	—
Venture Funds	$8.25		−0.07	—
Management International Ltd.				
Bk. of Bermuda Bldg., Hamilton, Bermuda				
A'ch'rUnT'lJuly22	35.0	39.0xd	......	1.97
Do.WallSt.July22	$4.92	5.18	......	2.64
Do.'2'UnitJuly22	45.0	47.0	......	2.09
Next subscription day July 27.				
Management Int. Australia Ltd.				
Bk. of Bermuda, Ltd., Hamilton, Bermuda.				
A'ch'rA'st'r'lhTst	71.0	75.0	−1.0	2.60
F'd N/V June 15	$2.42	2.55	−0.04	—
Next subscription day July 29.				
(n) (h) Manx. Int. Managmt. Ltd.				
63, Athol St., Douglas, IoM, Douglas 4856				
Aust. Mineral Tst.	23.0	26.5	+0.1	—
Int. Incomes Tst.	45.1	47.9	......	5.00
Manx.Mutual Fnd	39.0	41.1	......	2.00
Pan. Aust. Ext.	30.7	42.4	......	1.50
M. & G. Group				
P.O. Box 708, Grand Cayman.				
Atlantic x July 27	22.1	88.6	−0.3	—
Aust.&Gen.July27	22.0	84.3	......	—
P.O. Box 44, St. Peter Port, Guernsey.				
Island	77.8	82.4	+0.4	2.20
Accum. Units	80.3	85.2	+0.5	2.25
Murray Johnstone (Inv. Adviser)				
163, Hope St., Glasgow, C.2. 041-221 5521				
Hope Street Fund	U.S.$11.29*		......	1.30
Murray Fund	U.S.$6.46*		......	1.80
* Net asset value June 30.				
New Court Overseas Fd. Mgt. Ltd.				
P.O. Box 58, Hirzel Court, Guernsey, C.I.				
NC Overseas Fd.	47.7	30.2	......	—
Nippon Special Holdings S.A.				
Luxembourg.				
NetAss'tV'l July 2	LF501.00		......	—
North American Funds				
* Nassau, Bahamas, Geneva Branch 3, rue du Marché. Tel. 262460				
N. A. Bank Fund.	$23.11		......	—
N. A. Inv. Fund	$8.33		......	—
Pacific Seaboard Fund N.V.				
Intimis Management Co., N.V. Curacao.				
Net asset value July 23 $US23.41.				

				§ Yield %
Save & Prosper Distributors Ltd				
P.O. Box 1434, Hamilton, Bermuda.				
*Dollar Fund	£5.10	5.57	......	—
Hampstead	£6.74	7.37	......	—
†Monitor	£4.90	5.09	......	—
S. & P. J. J. F.	US$13.47	14.72	......	—
*Sterling Fund	£4.29	4.09	......	—
Prices on July 26. Next dealing Aug.				
†Prices on July 21. Next dealing July				
J. Henry Schroder Wagg & Co. Ltd.				
120, Cheapside, E.C.2. 01-588 4000				
Amer.Inc. July21	$14.65		......	2.1
Ch'pside$FdJly25	$12.31		−0.04	—
Trafalgar (June30)	$117.11		......	0.4
Security & Prosperity FD Dst. S.A.				
P.O. Box 515, Zurich 8027, Switzerland				
*Sepro	$9.92	10.84	......	—
*Prices on July 21. Next dealing July 2				
Shamrock Unit Fund Ireland Ltd				
69-71, St. Stephen's Green, Dublin 75797				
Shamrock Ireland	56.2	59.6xd	+1.1	2.6
Shareholders Excalibur in Cp. S.A.				
17, Boulevard Royal, Luxembourg.				
NAVopengJuly26	$U.S.9.65		......	—
Singer & Friedlaoder Ldn. Agent				
20, Cannon St., E.C.4. 01-248 964				
Desta (July 22)	DM$24.84		......	2.4
Slater Walker Tst. Mgt. (Bahamas)				
37-45, Tooley St., S.E.1. 01-407 327				
Internation'l F'nd	404	424	......	—
Value at July 23. Next dealing Aug. 2				
Slater Walker Tst. Mgt. (Jersey)				
35, Broad St., St. Helier, Jersey. 0534 262				
Growth Investors	135.4	140.4	......	5.0
Next subscription day —				
South African Internatl. Fund Ltd				
P.O. Box 1046, Nassau, Bahamas.				
NAV (May 31)	R$0.6924		......	2.2
Standard & Poor's Intl. Fds. S.A.				
14, rue Aldringer, Luxembourg.				
NetAss'tVal(Jy 23 U.S.$2.74)			......	—
Standard Bank C.I. Ltd.				
St. Helier, Jersey. 0534 25561.				
Cap'l Trust Jersey	92.0	95.7	......	—
Next subscription day Aug. 3.				
Stellar Unit Trust Managers Ltd				
P.O. Box 32, Douglas IoM. Douglas 2152				
Stellar Growth	56.4	59.4xd	......	2.4
Target Trust Mgrs. (Cayman) Ltd				
P.O. Box 718, Grand Cayman, Cayman Is				
Target Offshore	84.8	68.3	......	—
Price at July 21. Next sub. day July 2				
Tokyo Capital Holdings N.V.				
Intimis Management Co. N.V. Curacao				
Net asset value per share July 26 $US21.10				
Tyndall Managers (Bermuda) Ltd				
P.O. Box 1256, Hamilton, Bermuda.				
International Fd.	100.0	104.0	......	3.0
Do. Accumulation	105.5	116.0	......	3.0
Overseas Fund	$1.30	1.30	......	4.0
Do. Accumulation	$1.38	1.44	......	4.0
Bermuda Fund	101.5	106.0	......	6.0
Do. Accumulation	111.5	110.0	......	6.0
Price at July 21. Next sub. day Aug. 1				
Union Bank of Switzerland				
117, Old Broad Street, E.C.2. 01-588 3961				
Amca Sw. Fr.	67.5	68.59	−1.52	4.4
Euro Sw. Fr.	161.00	165.00	+1.00	4.4
Fonsa Sw. Fr.	112.00	114.50	−0.50	4.5
GlobInvest Sw.Fr.	91.00	92.00	......	2.7
Pacific Inv Sw.Fr.	87.00	100.00	+0.50	3.1
Sapit Sw. Fr.	225.00	226.00	......	4.0
Utd. States Growth Inv. Tst. N.V.				
P.O. Box 1046, Nassau, Bahamas.				
U.S. Growth Inv.	U.S.$6.93	7.21	−1.06	2.0
Wales Unit Inv. Ltd.				
Prices of units in Wales trust may be obtained from Bank of New South Wales. 01-588 4020.				
Warburg (S. G.) Vln. Agts.				
30, Gresham St., E.C.2. 01-600 4555				
Cv.Bd.Fnd. Jly 26	*US$8.59		−0.01	—
Energy Int. Jly 26	*US$11.22		−1.04	—
* Net asset value.				

NOTES

p★★★ pence except where otherwise indicated. * Yield excludes double tax relief. Φ Premium Dollar Equivalent indicated by Kleinwort Benson.

INSURANCE, PROPERTY, BONDS

				§ Yield %
Abbey Life Assurance Co. Ltd.				
1-3, St. Paul's Churchyard, E.C.4. 248 0111				
Abbey Eq. Bds.	32.0	34.0	......	1.80
Abbey Prop. Bds.	110.0	117.0	......	6.30
Selective Inv.Bnd	54.5	07.0	......	—
Annuity Assurance Society Ltd.				
Annuity House, Twickenham. 01-892 4368				
Total Gr.Inves.Fd		20p	......	—
Atlantic Assurance Co. Ltd.				
11, Waterloo Place, S.W.1. 01-930 3366				
♥Inv'ment Fd Ut's	121.6		−0.8	—
PensionFundUnits	106.2		......	—
Capital Life Assurance				
1, Angel Court, E.C.2. 01-606 7070				
♥KeyInv.Fd.July14	114.1		......	—
City of Westminster Assurances				
46, Horseferry Road, S.W.1. 01-222 4477				
♥First Units	64.5	67.6	......	6.10
♥L'd'nBanks Units	26.0		......	—
♥Prop. Annuity	124.6		......	—
♥Prp.Units June1	38.7	39.0	......	8.90
♥Speculator Units	36.0	37.0	......	—
♥W'minster July 1	35.0	36.0	......	8.10
Commercial Union Group				
St. Helen's, 1, Undershaft, E.C.3. 01-283 7500				
Var'bleAnAccUts.	31.63		......	—
Do. Annuity U'ts	12.62		......	—
Cornhill Insurance Co. Ltd.				
32, Cornhill, E.C.3. 01-626 5410				
♥Capital July 15	136.3		......	—
♥G.S.S'pe'l July 15	57.0		......	—
Crusader Insurance Co. Ltd.				
Vincula Hse., Tower Pl., E.C.3. 01-626 8031				
Gr'th Prop.July 6	30.2	33.0	......	—
Dominion-Lincoln Equity Assur.				
18-24, Maltravers St., W.C.2. 01-836 3883				
L'ln G'lyn July 12	172.3		......	—
Eagle Star Insce./Midland Assce.				
Investment Advisers: Hill Samuel and Co. *100, Wood Street, E.C.2. 01-628 8011*				
Eagle Units	50.2	61.3	+1.0	3.03
Midlands Units	30.2	51.5	+1.0	3.05
Ebor Phoenix Assurance				
31-32, King Street, E.C.2. 01-551 0092				
Assured Bd. July 1	56.4	—	......	—
En'd'wmt July 20	37.1	—	......	—

				§ Yield %
Growth & Sec. Life Ass. Soc. Ltd.				
United House, W.11. 01-229 6166				
♥G&S Super Fund	1005.5		......	—
Guardian Assurance Co. Ltd.				
Royal Exchange, E.C.3. 01-283 7101				
♥Property Bonds	113.3	110.2	......	—
Hambro Life Assurance Limited				
77, Brook Street, W.1. 01-499 0031				
♥Hambro Equity	109.3	115.1	......	—
♥Property	86.3	101.4	......	—
♥Managed Cap.	102.8	107.0	......	—
♥Managed Acc.	108.8	108.1	......	—
♥Pen. Prp. Cap.	96.7	101.8	......	—
♥Pen. Prop. Acc.	97.8	103.0	......	—
♥Pen. Man Cap.	103.9	109.4	......	—
♥Pen. Man Acc.	104.9	110.0	......	—
Hearts of Oak Benefit Society				
Euston Road, London, N.W.1. 01-387 5020				
Hearts of Oak	23.3	26.9	......	—
Hodge Life Assurance Co. Ltd.				
30, Windsor Place, Cardiff. Cardiff 42577				
♥Hodge Bonds	34.0	36.6	+0.2	—
♥Takeover Fd.	38.0	41.7	+0.2	—
Imperial Life Assur. Co. of Canada				
Imperial Life House. Guildford 71255				
Growth Fd July 1	44.8	48.0	......	—
Internatl. Life Ins. Co. (U.K.) Ltd.				
Portland Hse., Stag Place, SW1. 01-834 8171				
♥Dover EquityUt.	£11.29		+0.05	—
♥Dover Pr'ty Ut.	688.0		......	—
♥Dover Acc'm Ut.	91.0		......	—
♥Dover Pen'n Ut.	22.0		......	—
♥Dover Anu'ty Ut.	78.0		......	—
Prices of July 27.				
Investment Annuity Life Assur.				
6, Devereux Court, W.C.2. 353 5697				
Lion Ind. Per. Fd.	91.7		......	—
LionInd PerFd.Ac.	03.0		......	—
Lion Prop. Fund	62.1		......	—
Irish Life Assurance Co. Ltd.				
11, Finsbury Square, E.C.2. 628 9355				
PropMod'lesJuly1	112.1	112.0	......	—
King & Shaxson Ltd.				
52, Cornhill, E.C.3. 623 5433				
Bond Fund	£100.66	101.77	+0.33	—
Next sub. Aug. 4.				
Life & Equity Assurance				
155, Fenchurch Street, E.C.3. 01-623 7585				
Sel.Inv.Fd.July19	33.5	35.0	......	—
Sel. An.Fd.July19	32.0	34.6	......	—

				§ Yield %
Life Assur. Co. of Pennsylvania				
Plantation House, Fenchurch St., M3EJ 01-626 2929				
LACOP Units	039.0	040.0	......	—
M. and G. Group				
Lee Hse., London Wall, E.C.2. 01-606 4332				
♥En'ment July 22	73.0	78.8	......	—
♥F'mily 2's 1976		92.6	......	—
♥ Do. 1977/86		94.3	......	—
♥Pe'l P'an July 25	89.7	92.4	......	—
Property June 24	87.1	108.0	......	—
Marine & Gen. Mutual Life Ass.Soc				
1, St. Swithin's Lane, E.C.4. 01-623 8271				
Equilink (July 12)	113.1	113.4	......	—
Nation Life Insurance Co. Ltd.				
Nation Hse., Teddington, Mdx. 01-977 8811				
♥Nation Prp. Bds	£1,156	1,192	......	—
Capital Units	90.9	102.0	......	—
Property Annuity		52.3	......	—
Noble Lowndes Annuities Ltd.				
NLA Twr., Addiscombe Rd., Croy. 686 4355				
B(HillSamuel)Prp'Ut	106.0	119.4	......	—
Norwich Union Insurance Group				
P.O. Box 4 Norwich. NOR 88A				
N'w'hUnitsJuly16	100.3		......	—
Old Broad St. Secs. Assur. Ltd.				
30, King Street, London, E.C.2. 01-600 8191				
♥Mer.Inv.Pty.Bd	103.1		......	—
Prop. Equity & Life Assce. Co.				
119, Crawford St., W1H 2AS. 01-486 0857				
♥Rbt SilkPropBds	112.3		......	—
Property Growth Assur. Co. Ltd.				
73, Brook Street, W.1. 01-499 4171				
♥Ab.Nt.F GthBdr	109.5	110.5	......	—
♥Pro.Gth.Ag. Bds	303.0	513.0	......	—
♥Pr'tyGr'thBds.	126.5	129.0	......	—
Prudential Pensions Limited				
Holborn Bars, EC1N 2NH. 01-405 9222				
Equity Fd. July 21	£13.24	£13.65	......	—
FixedInterJuly21	£10.07	£10.58	......	—
Propty Fd. July 21	£8.80	£10.21	......	—
Reliance Mutual				
Tunbridge Wells, Kent. 0892 22271				
♥RelianceProp.Bds	105.2		......	—

				§ Yield %
Save and Prosper Group				
4, Gt. St. Helen's, London E.C.3. 588 1717				
♥*Minilends	23.8	25.2	......	—
♥**Property Fund	95.8	100.9	......	—
*Prices on July 22. Next dealing July 29.				
** Prices on June 16. Next dealing Aug. 16.				
Scot. Widows' Fnd. & Life Ass. Soc				
19, St. Andrew Sq., Edinburgh EH2 2YE				
♥Inv'strl'ty July1	206.7	206.8	......	—
Standard Life Assurance Co.				
3, George Street, Edinburgh EH2 2XZ.				
UnitEndowJune15	94.3		......	—
Target Life Assurance Co. Ltd.				
Chiltern House, Oxford Rd., Aylesbury 5941				
PropBond Accum.	104.0		......	—
Prop Bond Invest.	101.0		......	—
Trident Investors Life Assurance				
15, America Square, E.C.3. 01-488 4511				
TridnB'n'se J'ly22	131.0	137.5	......	—
Tyndall				
18, Canynge Road, Bristol. 0272 32241				
Bond Fund July 14	108.9		......	—
Equity Fd. July 14	129.0		......	—
Person'l Pen Jly1	64.4		......	—
Property Fd. June 30	106.2		......	—
3-way Fund July 14	111.9		......	—
Welfare Insurance Company Ltd.				
35-37, Cannon Street, E.C.4. 01-236 0781				
InvestmentTst Fd	97.9		......	—
MoneyMakerFd.	101.0		......	—
PropertyFund	106.0		......	—

NOTES

§ Yield allows for all buying expenses. a Offered prices include all expenses. b To-day's price. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p★★★ Pence except where otherwise indicated. y Offered price includes all expenses if bought through managers. † Excluding securities profits payment. z Previous day's price. x Offered price includes all expenses except agent's commission. ‡ Single premium insurance bonds. ◆ Share split. ♡ Net of tax on capital gains. ● Not authorised by the Board of Trade. ‖ Guernsey yield.

STOCK EXCHANGE DEALINGS from the Official List for July 27

Tuesday, July 27	12,897	Friday, July 23	12,580	Wednesday, July 21	14,022
Monday, July 26	14,220	Thursday, July 22	13,653	Tuesday, July 20	15,909

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special Prices. Δ Bargains done with or between non members ♦ Bargains done previous day. ² Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses after sectional names show number of stocks.

No.	Equity groups	Tuesday, July 27, 1971: Index No.	Day's Change %	Est. Earnings Yield % (with 40% Corporation Tax)	Est. Price/Earnings Ratio (with 40% Corporation Tax)	Div. Yield %	Mon. July 26 Index No.	Friday July 23 Index No.	Thurs. July 22 Index No.	Wed. July 21 Index No.	Year ago (approx.) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
1	CAPITAL GOODS GROUP (184)	157.92	+1.2	5.97	16.76	3.76	155.01	154.77	154.63	153.15	115.24	157.92	104.03	181.50	62.82
2	Aircraft and Components (3)	110.38	+1.4	7.42	13.49	5.65	108.86	102.84	110.03	108.94	96.84	110.38	66.40	280.12	66.40
3	Building Materials (29)	156.81	+0.5	4.22	20.33	3.45	156.09	155.01	156.64	125.90	100.43	157.52	88.30	167.98	85.01
4	Contracting and Construction (19)	227.95	+1.2	6.00	16.67	2.64	225.12	223.80	224.22	225.07	192.45	227.95	152.63	229.19	84.39
5	Eletrls. (ex. Elctrn. Rad. & TV) (13)	283.44	+2.2	4.23	20.27	2.90	275.70	271.88	268.95	264.45	188.20	283.44	174.23	335.11	84.71
6	Engineering (80)	148.74	+0.2	5.45	15.50	4.17	147.40	145.22	145.25	144.31	112.30	148.74	102.56	160.95	82.90
7	Machine Tools (15)	65.32	−0.3	7.56	13.19	6.22	55.59	65.02	65.09	64.59	63.90	65.59	43.86	135.70	43.86
8	Miscellaneous (25)	134.15	+1.4	7.74	12.82	4.30	132.26	131.00	130.67	129.03	112.07	134.15	94.18	144.27	69.01
9	CONSUMER GOODS (DURABLE) GROUP (56)	173.85	+1.7	5.08	10.68	2.07	170.98	168.63	167.33	164.70	130.89	173.85	117.36	197.87	70.98
10	Electronics, Radio and TV (14)	182.36	+1.4	5.56	17.90	2.40	179.79	175.80	172.69	172.46	146.36	182.36	128.51	199.86	71.10
11	Household Goods (15)	188.82	+1.8	5.14	16.28	3.51	186.50	186.81	186.43	185.08	122.72	188.82	115.82	188.82	86.65
12	Motors and Distributors (27)	120.53	+2.1	4.22	23.70	3.48	118.02	116.03	117.58	113.28	87.11	120.53	79.91	170.59	75.92
13	CONSUMER GOODS (NON-DURABLE) GROUP (175)	164.14	+1.1	5.46	12.33	3.72	162.31	162.16	162.42	160.81	116.66	164.68	118.17	164.68	83.71
14	Breweries (21)	180.21	+0.2	5.45	12.34	3.53	178.82	182.75	185.26	184.92	122.44	194.87	123.30	194.97	80.38
15	Wines and Spirits (7)	175.32	+0.2	5.85	16.81	3.98	174.97	178.55	178.76	174.91	143.27	196.05	142.41	196.05	118.78
16	Entertainment and Catering (15)	204.00	+0.6	7.01	14.26	3.80	202.86	203.28	204.22	200.83	188.19	214.30	177.90	231.89	80.11
17	Food Manufacturing (24)	141.63	+1.1	5.67	17.82	3.88	140.16	139.71	139.95	138.95	103.83	141.63	99.74	171.54	95.98
18	Food Retailing (17)	137.88	+1.0	5.47	18.30	3.58	136.33	135.30	135.46	135.64	98.81	137.68	100.23	163.68	94.62
19	Newspapers and Publishing (15)	141.91	+0.5	8.06	16.53	2.00	141.20	130.68	138.28	138.64	106.11	141.01	101.66	184.86	81.74
20	Packaging and Paper (16)	120.10	+1.4	6.41	15.59	4.33	118.42	117.28	116.84	116.07	103.50	120.10	88.81	134.63	87.01
21	Stores (30)	160.64	+1.2	4.24	23.57	2.28	158.72	157.23	156.39	154.56	100.77	160.64	104.48	160.64	72.74
22	Textiles (21)	176.94	+1.7	5.57	17.96	5.10	174.04	172.27	171.26	167.05	131.17	176.94	137.81	[illegible]	89.00
23	Tobacco (3)	254.47	+4.2	8.37	11.85	5.22	244.15	247.82	249.85	247.41	194.08	254.47	170.92	306.02	94.34
24	Toys and Games (6)	60.04	+0.6	—	—	5.10	48.76	50.00	50.42	60.30	67.17	60.04	46.66	135.72	46.56
	OTHER GROUPS														
25	Chemicals (19)	193.30	+1.9	6.21	19.19	3.41	189.71	187.67	187.14	184.37	137.21	193.30	138.18	201.82	83.29
26	Office Equipment (10)	205.54	+1.8	3.41	28.37	1.46	202.03	200.41	199.85	200.10	126.53	212.05	153.52	212.05	109.12
27	Shipping (10)	325.49	+3.4	7.02	14.13	5.07	314.68	307.07	305.38	300.94	314.22	325.75	269.76	355.44	80.80
28	Miscellaneous (unclassified) (44)	190.33	+1.8	5.68	17.62	3.62	188.15	186.18	185.30	183.58	129.32	190.33	128.55	190.33	76.52
29	INDUSTRIAL GROUP (498 SHARES)	170.96	+1.4	5.47	18.29	3.55	168.68	167.65	167.47	165.76	—	170.96	120.61	170.86	120.61
30	Oil (2)	363.50	+1.0	5.57	17.95	3.45	350.86	355.50	354.77	350.65	249.38	363.50	260.74	431.66	87.23
31	500 SHARE INDEX	187.27	+1.5	5.48	18.24	3.54	184.87	183.56	182.34	181.67	153.48	187.27	132.46	193.75	84.86
32	FINANCIAL GROUP (121)	173.17	+1.3	—	—	2.73	170.81	158.11	169.23	169.64	108.81	173.17	119.75	173.17	69.32
33	Banks (6)	189.94	+2.4	7.86	13.77	2.63	185.46	178.11	176.69	178.61	97.86	189.94	101.65	189.94	69.25
34	Discount Houses (6)	176.87	+1.5	—	—	4.36	174.19	171.65	172.82	170.53	111.78	176.87	150.72	176.87	87.65
35	Hire Purchase (6)	255.90	+0.5	4.20	23.80	2.85	254.52	257.08	258.46	262.68	183.42	266.58	188.57	266.58	80.02
36	Insurance (Life) (9)	154.25	+0.4	—	—	3.81	155.61	153.03	153.74	138.76	119.11	155.17	123.16	159.83	61.35
37	Insurance (Composite) (9)	153.52	+2.4	—	—	3.20	130.44	130.75	131.76	132.01	79.50	134.07	89.80	134.07	54.40
38	Insurance (Brokers) (10)	176.25	−0.1	4.97	20.11	2.46	176.49	178.50	179.08	174.81	101.91	179.08	116.27	179.08	82.59
39	Investment Trusts (20)	197.54	+0.5	2.88	34.74	2.68	196.56	195.95	196.56	196.25	142.35	198.14	152.16	215.04	80.84
40	Merchant Banks, Issuing Houses (15)	170.52	+1.6	—	—	2.23	162.05	167.56	169.54	169.22	113.12	173.43	108.44	181.25	50.47
41	Property (31)	209.20	+0.4	2.75	36.35	2.23	208.87	207.34	207.66	207.06	134.94	209.80	139.37	209.80	56.01
42	Miscellaneous (9)	178.31	−0.4	5.75	17.40	4.14	172.01	175.95	176.73	176.26	—	179.01	120.73	179.01	120.66
43	ALL-SHARE INDEX (621 SHARES)	183.66	+1.3		—	3.35	181.30	179.66	179.73	178.58	127.34	183.66	129.47	183.66	65.72
	COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
44	Rubbers (10)	201.44	−1.2	11.32	8.79	8.79	203.84	207.98	209.21	210.75	135.55	211.88	163.62	211.88	84.66
45	Teas (10)	89.02	−0.2	17.46	5.73	9.12	88.19	88.85	89.01	90.32	72.33	91.08	72.71	114.64	52.96
46	Coppers (4)	350.63	+2.1	53.69	1.86	14.93	323.87	325.12	334.90	332.50	229.74	350.60	225.90	350.50	94.06
47	Mining Finance (11)	105.52	+0.1	5.38	18.60	3.24	105.17	105.12	105.50	103.27	121.98	106.79	96.00	175.90	96.00
48	Tins (8)	73.72	−0.6	10.77	9.29	8.51	74.15	74.16	74.39	74.52	57.01	74.77	62.11	102.97	54.63

No.	FIXED INTEREST	Tuesday, July 27 Index No.	Yield %	Monday July 26	Friday July 23	Thurs. July 22	Wed. July 21	Tues. July 20	Monday July 19	Year ago (approx.)	1971 High	1971 Low	Since compilation High	Since compilation Low
1	Consols 2½% yield	—	9.22	9.22	9.30	9.13	9.13	9.12	9.04	9.27	—	—	—	—
2	20-yr. Govt. Stocks (6)	78.73	‡8.27	78.74	78.52	79.25	79.15	78.05	80.08	72.84	80.68	70.60	115.42	58.43
3	20-yr. Red. Debentures & Loans (15)	72.11	‡10.24	72.17	72.31	72.37	72.42	72.43	72.44	68.45	72.44	68.42	113.43	66.59
4	Investment Trusts Prefs. (15)	68.95	10.70	68.95	69.23	69.23	69.23	68.23	69.23	70.34	69.38	66.23	114.41	66.23
5	Commercial and Industl. Prefs. (20)	74.18	10.41	74.11	74.15	74.20	74.53	74.21	74.16	74.32	74.33	69.02	114.41	69.02

Section or Group	Base Date	Base Value
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	120.06
All Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

Concorde draft contract talks start

BY RAY DAFTER

BRITISH Aircraft Corporation and Aerospatiale, the Anglo-French builders of Concorde, have now reached the stage of negotiating draft contract clauses with British Overseas Airways Corporation and Air France for the sale of the supersonic aircraft, it was learned yesterday.

This represents the start of the final phase of negotiation, and BAC announced at a Press conference that it hoped that contracts for the first production aeroplanes would be signed by the end of the year.

BOAC commented that although it had started discussions over the draft contract there was no commitment on either side. "The suggestion that we will soon place orders is pure speculation," a spokesman said.

Confident

Nevertheless, BAC appears confident. Mr. Michael Wilde, Concorde project director, said that the conclusion of contracts with the British and French national carriers would be followed by intensifying negotiations with other option holders.

Both BAC and Aerospatiale, he said, were more firmly than ever convinced that there was a minimum sales potential of 250 Concordes over the next 10 years. This might well prove a conservative estimate in view of the cancellation of the U.S. supersonic transport and the interest, already noted, of non-customer airlines which would be faced with increasing competition from Concorde operators.

It is anticipated that all certification flying should be completed by the end of 1973 with certification and first deliveries being achieved in the following spring. On present planning 39 aircraft will have been delivered by the end of 1975, 73 by December, 1976, and 150 by the end of 1978.

The manufacturers are confident that they will be able to meet the guarantee of payload of at least 20,000 lbs. on the Paris-New York sector—the figure which has been the basis of performance discussions with the airlines since the sales programme was launched. Modification to the Rolls-Royce Olympus 593 engines had considerably lowered the noise levels, said Mr. Wilde. Concorde would enter service with noise levels entirely comparable with aircraft currently in service.

BAC maintains that the Concorde is coming on to the market at precisely the right time. With the recent sharp swing towards lower fares and bulk travel, particularly charter operations, there was a need to provide the business traveller with a faster and more comfortable service.

Both BAC and Aerospatiale have reiterated that they are confident in their ability to demonstrate that the return on investment for a mixed subsonic and supersonic fleet would be better than that for an all supersonic fleet.

During the Press conference held as a review of the activities of BAC's commercial aircraft division, chief test pilot Mr. Brian Trubshaw "put the question straight" about last week's test flight in which a Pan American pilot momentarily exceeded the normal limit of two and a-half times the force of gravity.

After a special test manoeuvre it was discovered that the aircraft had been subjected to more than 2.5G for about 1.5 seconds, peaking at a maximum of 3.1G. As a normal precaution experts had been asked to examine the aircraft which had since been given a clean bill of health. The aircraft—Concorde 002—was now having a routine inspection which could take two or three weeks, said Mr. Trubshaw.

It was also learned yesterday that BAC had almost come to the end of initial appraisal of its Quiet Short Take-Off and Landing (QSTOL) programme. Mr. Geoffrey Knight, chairman of the commercial aircraft division, said that the company could not proceed much further without some Government support, initially about £250,000.

Exploratory

There has been no indication, however, that the Government would be willing, at this stage, to put up this money. In the meantime BAC is discussing with other European companies the possibility of a collaborative venture although these talks are purely exploratory.

The corporation also announced yesterday that Compania de Aviacion Faucett of Peru has taken delivery of its first BAC One-Eleven. There are now over 40 operators serving more than 60 countries using the aircraft.

BAC has specially developed the BAC One-Eleven Series 475 to operate from poor quality and unsurfaced runways previously out of the scope of jet aircraft. The latest sales predictions indicate that BAC can expect that of the 446 aircraft of the One-Eleven type required by world airlines by the beginning of 1976, 70 could be new One-Elevens with another 15 second-hand aircraft.

White collar resistance to ICI redundancies

BY OUR LABOUR REPORTER

WHITE-COLLAR workers at ICI decided yesterday to co-operate with other unions in an attempt to block the company's decision to make 1,450 redundant in the fibres division.

The cutback in staff was announced last week and involves about 8 per cent. of its employees in that division. But yesterday a delegate conference of the ICI white-collar section of the Transport and General Workers' Union *decided to resist the redundancies.*

Mr. Bill Walsh, national secretary of the section, will now hold talks with the other unions with members involved in the redundancy programme, to decide what joint action they can take.

The union will also seek talks with the company to discuss negotiating rights for supervisory grades. This follows the company's survey of white-collar staff to discover what sort of collective bargaining arrangements they would like to have introduced.

The survey failed to produce a majority of staff in favour of trade union representation—a large number were, in fact, hostile—but ICI has said it will consider union recognition where a majority of a section of the staff are in favour. But the company has said this will only apply when the agreement can be introduced on a company-wide basis.

BR site at Cardiff to be redeveloped

THE British Rail Property Board, in conjunction with Alken Developments, is to redevelop the site of railway offices adjacent to Cardiff Queen Street station.

The scheme will comprise a 13-storey block with 94,000 square feet of office space and a car park adjoining, and is one of the first within the city's new Centre plans. Improved station facilities will be provided for passengers.

Designer of the scheme is Bernard Kaukas, Chief Architect to the British Railways Board. The project will be managed on behalf of Alken Developments by Robin Design and Construction. Completion is expected by 1973.

Swindon centre for Nationwide Building

THE Nationwide Building Society (assets £825m.) is to build an administrative centre at Swindon within the New Town Centre development, on a one-acre site in Princes Street.

In addition to a major computer installation, the building will house some of the society's main administration departments and the mortgage deeds of all the borrowing members.

Construction is expected to commence early in 1972 for completion towards the end of 1973.

SHARE INFORMATION SERVICE: NOTES

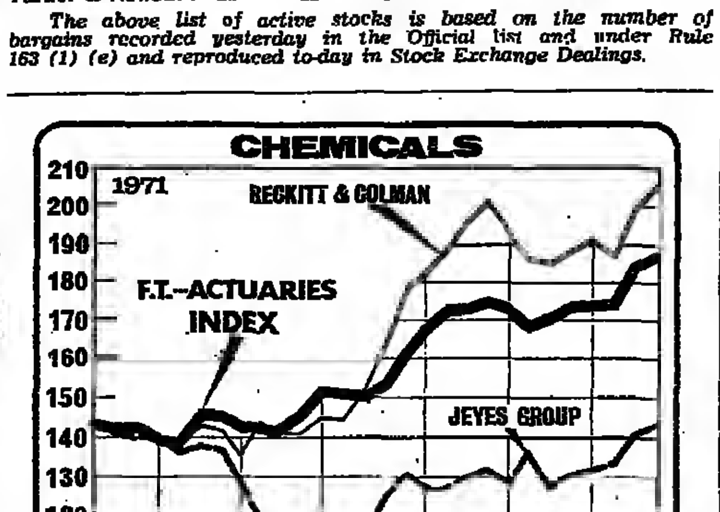
The following Notes relate to Share Information Service:—

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Imp. Chem. Inds.	£1	27	328	+10	328	230
Natl. Westminster	£1	18	625	+13	630	323¾
P & O Defd.	£1	17	174	+ 6	206½	144½
Shell Transport	25p	17	424	+ 7	425	327
Barclays Bank	£1	16	613	+15	618	327½
GEC	25p	16	160	+ 8½	160	90
Lonrho	25p	16	88	+ 8	113	85
Thorn Electl. 'A'	25p	13	416	+ 9	416	256
Unilever	25p	13	327	+ 7	327	215
GEC 7¼% Loan	£100	12	£153	+ 5¼	£153	£90
Intl. Computers	£1	12	110	− 5	175	103
Brit.-Am. Tobacco	25p	11	388	− 2	391	265
Pearson (S.)	25p	11	245	+ 8	245	117½
Turner & Newall	£1	11	154	+ 8	179	127

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163 (1) (e) and reproduced to-day in Stock Exchange Dealings.



Helped by a number of satisfactory profit statements more recently, the F.T.-Actuaries share index for Chemicals has managed to out-perform the 498 Industrial share index with an advance of 33¾ per cent. since the beginning of the year, compared with a rise in the "498" of 31½ per cent. This performance by the Chemicals subsection is made more impressive when taking into account Laporte's sharp reaction in late-June on their poor results.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

REGIONAL MARKETS

Markets made further headway in nearly all sectors yesterday.

On the Irish Exchange, Allied Irish Bank at 488p and Arthur Guinness at 167p each added 3p. P. C. Cahill rose 4p to 85p, Clondalkin Paper put on 1½p to 54p while, Sunbeam Wolsley at 43p, Bank of Ireland at 378p and Irish Oil and Cake at 38p each added 1p.

On the Midlands and Western SE, DRG advanced 7p to 159p and British Dredging were up 2½p to 77½p, while rises of 1p were noted in UBM at 140p and G. W. Sparrow at 111p.

Cashmore were lifted 10p to 180p, A. B. Electronic put on 8p to 108p, Smith Enterprises gained 7½p to 135½p, Coated Metals improved 5p to 312p and Rivlin were 1p better at 35½p. Cardiff Malting at 31p and Wire and Plastics at 33½p each shed ½p.

E. Elliott at 44p, Newman Tonks at 114p and Neville Group at 82p each rose 3½p, but Bluemel Bros fell 3p to 73½p.

On the Northern Exchange, Jessel Trust moved ahead 15p to 235p, while G. H. Schols gained 10p to 250p on persistent demand in a market short of stock. Reynolds advanced 5½p to 361p, while Barrow Hepburn and Gale were 5p stronger at 144½p ahead of the figures. Walmsley rose 4½p more to 107½p.

Carliol Investment Trust improved 3p to 198p and Tyneside Investment Trust added 2p at 394p. Fresh investment demands lifted Furness Withy 9p to 313p.

Era Ring Mills were steadily absorbed at 18½p, while Peel Mills were inquired for around 11½p. Bibby and Baron marked at 40p, as did S and K Holdings at 46½p and Walsmley Group at 105p.

On the Scottish SE, Bank of Scotland gained a further 11p to 511p. National Commercial Bank added 4p at 148p, Anderson Mavor advanced 7p to 89p, while 2p rises were seen in William Baird at 148½p, Lindustries at 54p and Scottish Brewers at 488p.

Prices in pence and denominations of 25p unless otherwise stated

BELFAST — IRISH EXCHANGE — MIDLANDS & WESTERN — NORTHERN EXCHANGE — SCOTTISH EXCHANGE

TEA & COFFEE (12)

TRAMWAYS & OMNIBUS (12)

WATERWORKS (7)

West African (4)

Diamond (65)

OIL (358)

PROPERTY (444)

RUBBER (129)

SHIPPING (210)

SPECIAL LIST

JULY 27 (NIL)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

JULY 27

(By permission of the Stock Exchange Council)

CORAL INDEX
Close 412-417

NEW 'HIGHS' AND 'LOWS' FOR 1971

New "Highs" which were too numerous to name individually were attained by 317 securities and are listed below in their sub-sections. New "Lows" totalled 6.

NEW "HIGHS" (317)

BRITISH FUNDS (1)
FOREIGN BONDS (2)
BANKS (11)
BEERS (2)
BUILDINGS (25)
CHEMICALS (6)
CINEMAS (3)
DRAPERY AND STORES (17)
ELECTRICALS (12)
ENGINEERING (34)
FOODS (11)
HOTELS (3)
INDUSTRIALS (55)
INSURANCE (3)
MACHINE TOOLS (2)
MOTORS (17)
NEWSPAPERS (7)
PAPER, PRINTING (0)
PROPERTY (22)
SHIPPING (2)
SHOES (7)
STEELS (1)
TEXTILES (4)
TOBACCOS (2)
TRUSTS (50)
UTILITIES (1)
OILS (2)
RUBBERS (1)
TEAS (1)
MINES (4)

NEW "LOWS" (6)

AMERICANS (1)
Gillette
CANADIANS (1)
White Pass
FOODS (1)
Morgan Edwards
UTILITIES (1)
Calcutta Elect.
MINES (2)
Northern Mining — Derall Tin

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	13	4	31
Corps. Dom. and Foreign Bonds	23	8	102
Industrials	518	249	945
Financ. and Prop.	200	45	287
Oils	10	5	17
Plantations	4	12	72
Mines	61	17	182
Recent Issues	23	8	83
Totals	852	346	1,639

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 20	Aug. 22	Oct. 14	Oct. 26
Aug. 3	Sept. 5	Oct. 28	Nov. 9
Aug. 17	Sept. 19	Nov. 11	Nov. 23

Conditions were again active yesterday in the Option market. "Calls" were arranged in Redland, Decca, Watney Mann, English China Clays, Trust Houses, Forte, Letraset, British Car Auctions, Laporte, Beaumont Properties, Hawtin, Cunard, Slater Walker, Barclay Securities, Plessey, British Leyland, Adepton, "*Mams*," BSA, *Marks and Spencer*, "Casts" and Metals Exploration.

"Puts" were done in BSA and Triumph Investment, while double options were completed in Beaumont *Properties*, Furness Withy, General Electric, Slater Walker, Elsburg, De Beers, BSA, Tube Investments and Rank Organisation "A."

Prices in pence unless otherwise stated.

Industrials							
		G.U.S. "A"	19	Reed Intl.	12	Mines	
		Guardian	14	Slater Walker	80	Anglo Amer.	25
P. Cement	16	Guest Keen	20	Tesco	5	BrokenHillProp	52
Barclays Bank	25	Hawker Sidd.	17	Thorn 'A'	20	Charter Cons.	22
Beecham	18	Hay's Wharf	20	Tube Invs.	22	Charterhall Fin.	6
Boots Drug	11	House of Fraser	13	Unilever	20	Cons. Gold	17
Bowaters	15	I.C.I.	14	Utd. Drapery	18	De Beers Def.	10
B.A.T.	20	"Imps"	6	Vickers	7	F. S. Geduld	58
British Leyland	8	I.C.L.	17	Woolworth	5	Great Boulder	20
British Oxygen	6	Int. Stores	7			Hampton Areas	15
Burton "A"	15	Inveresk Paper	6	Property		Hampton Props.	6
Carlin's	5	Jessel Secs.	28	Cap. Counties	12	Kloof	20
Cadbury's	7	Legal&General	22	Land Secs.	12	Lonrho	10
Courtaulds	10	Lloyds Bank	25	Peachey	7	Loraine	5
Cunard	16	"Lofs"	7	Star. (Gt. Brit.)	10	Metals Explor.	26
Debenhams	14	"Mams"	14	Town & City	10	Newmetal	5
Distillers	11	Marks&Spencer	20	Town & Comm.	11	Poseidon	£2½
Dunlop	13	Metal Box	22			Pres. Steyn	15
EMI	12	Midland Bank	22	Oils		Rio-T.Zinc	15
Eurons	17	NatWest Bank	22	Brit. Petroleum	35	Welkom	12
F.R.A. Trust	12	P.&O. Defd.	15	Burmah Oil	33	West Areas	9
Gen. Accident	11	Plessey	10	Oil Search	4	Western M'ng	20
General Electric	9	Ralli Intl.	11	Shell	25	Zambia Copper	7
Glaxo	25	Rank Org. "A"	47	Ultramar	24		

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

CANADIANS

BUILDING INDUSTRY—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross yield pc	P/E Ratio
17¼	11¼	J.B. Holdings 5p	16	—½	17½	9.5	6.5	7.4
31	11	Jackson(DT) 10p	25	......	17½	Φ	7.0	Φ
95	46	James (H.C.)	96	+1	16	1.9	4.7	11.0
97	59	Jarvis (J.)	97	+4	9.8	2.0	5.8	8.7
38	30	Jenkins(T) 10p	35	+2¼	d17	1.9	4.7	11.2
66	47½	JenningsSA0.50	65	+1	†‡r10	5.6	3.5	7.8
302	152½	J'hns'n Ricd 50p	298xd	......	18	Φ	3.0	Φ
37½	22	Jones Edwd. 10p	36	......	27½	1.7	11.7	5.1
44½	30	Keiz'r V'nsta 20p	35	—1	16	1.1	8.3	11.3
20	2	Kenkast 10p	25	+1	d7½	1.1	3.7	24.8
140	73¾	Kennedys'	138	—2	G29½	1.9	5.1	10.0
142	76¼	Kier (J.L.)	142	+5	†d22½	2.2	4.0	11.6
52	32½	Lafarge	43	......	8.4	1.3	4.9	15.6
118	70	Laing (John) 'A'	118	+1	‡9	2.4	1.9	22.3
210	150	Latham Jas. (£1)	205xd	......	12	Φ	5.2	Φ
135	104	LeadIndsGp 50p	121	+2	11	1.9	4.5	11.4
56	23	Leaderflush (20p)	34	......	d10	0.8	5.9	20.1
54	26¼	Leyland Paint	52xd	......	†8½	1.7	4.0	14.7
76	67	Lilley (F.J.C.)	68	......	‡19	2.1	4.4	10.8
30	12½	Limmer Hdg.	18	—1	1	—	1.4	—

DRAPERY AND STORES—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross yield pc	P/E Ratio
225	92½	Perkins (D.)	220	—5	27	1.6	3.1	20.2
112	78¾	Pecers(J.) Furn.	112	—	d18	1.6	3.6	15.5
24½	10½	Plushpile 10p	24	—	16	1.9	7.3	7.2
36	23	Polly Peck 10p	35	—	27½	1.5	7.9	8.6
60	37	Preedy (Alfred)	55xd	+1	15½	Φ	8.3	Φ
17	11½	Queen St. W. 10p	15	—	B—	—	—	—
12½	8½	Ramar Text 5p	10½	—	20	2.5	9.6	4.5
62	38	Ratners 10p	61xd	—1	30	1.5	4.9	13.2
80	67	Raybeck 10p	80	+2	†d32½	2.4	4.1	10.1
46½	38	Readicut 5p	45½	—	27	2.2	2.9	15.8
310	210	Reed Astn A £1	310	—	19.2	1.9	6.0	17.5
46	25	Rivlin(ID&S) 10p	37xd	—	29½	Φ	8.0	Φ
84	52½	Rose(WA Paint)	83	—	25½	1.7	7.7	7.7
30	16½	S&O Stores 12½p	26	—	12	Φ	6.1	Φ
35	25½	Do 25% PfOd 12½p	35	—	25	Φ	9.5	Φ
140	88	Samuel (H.) A	137	+2	15½	2.1	2.2	16.4
17	7½	Selincourt 5p	16½	+1	16	1.4	4.6	15.8
17½	9	Sharna W're 20p	17½	—	—	—	—	—
20½	7½	Sherman(S.) 10p	20½	+1½	—	—	—	—
520	332½	Smith W H 'A' £1	517	—	19	2.0	2.4	21.4

ENGINEERING AND METAL—Gen. Cont.

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscell.)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

ELECTRICAL AND RADIO

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

ENGINEERING AND METAL

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

"Recent Issues" and "Rights" Page 31

هكذا من الأصل

INDUSTRIAL (Miscell.)—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or −	Div. % or amount	Times covered	Gross yield %	P/E Ratio
[illegible]	45½	Incledon Lamb.	65½	......	15	1.4	6.8	10.2
[illegible]	20	Ind.C.Cl'ns (10p	23	+2	6	φ	2.6	φ
[illegible]	45	Initial Services	72½	......	15	1.4	5.2	14.2
[illegible]	22¾	Inter-City (20p	28¾	......	d5	1.0	3.5	22.5
[illegible]	105	IntComput'rs	110	−5	11	1.5	10.0	7.3
[illegible]	110	Int. Time Rec.	123	+8	t20	2.4	4.3	11.1
[illegible]	33	James (John)	30	+½	d11	0.9	9.2	12.0
[illegible]	20	James(M.)(10p)	37	......	d20	3.3	5.4	5.6
[illegible]	182	J'rdineM(HK$5)	223	......	15.9	2.2	2.3	20.1
[illegible]	11	Jentique (5p)	17½	......	t15	8.0	4.3	11.4
[illegible]	72	Jeyes Group	85	......	19	1.4	5.1	14.5
53	37½	Johnson Cln'rs.	53	......	8	0.9	3.2	27.6
315	212	JohnsonMthy£1	288	+5	18	1.8	4.3	13.1
76	52	Judge Int.	72½	−½	13	1.3	4.5	17.0
187½	135	Kalamazoo	181	......	†33	1.9	4.6	11.7
94	53	Kangol 20p	89	......	80	2.7	4.5	8.1
52	46	Kelsey Ind.12½p	52	......	24	2.4	6.9	6.9
45	31½	KennedySm 20p	45	......	M20	1.7	8.9	6.6
111	75	Kent (Geo.)(50p)	90	......	5	φ	1.7	φ
280	210	Kleeman	275	−4	39	3.0	3.0	17.1
42½	20	Kode Int.	22	......	—	—	—	—
130	82	LRC Int. 10p	130	+1	d40	φ	3.1	φ
104	77½	Lamson Inds.	99	+1	13	1.5	3.4	16.7
252	118¾	Lancaster Cpts.	250	−2	30	3.4	3.0	9.8
41	33	Launderettes 10p	38	......	d24	2.0	6.7	7.6
40	25	Lawtex	30	......	t12	1.3	10.0	φ
62½	30	Lebo Fobel 10p	60	+1	d18	1.5	3.0	22.4
23	10	Lobus Harris £1	21	......	B—	—	—	—
119	80	Leeds Assets	117	......	t25	2.2	5.3	9.8
198	120	Lep Group (10p)	198	+3	†22	4.0	1.4	17.8

†† INSURANCE

1971 High	1971 Low	Stock	Closing Price pence	+ or −	Div. % or amount	Times covered	Gross yield %
462	357½	Bowring (C.T.)	447	−5	38	2.6	2.[illegible]
100	53¾	Brentnall B.10p	97½	......	634	1.7	9.[illegible]
228	190	Britannic 5p	270	−2	163	—	3.[illegible]
473	320	Comm. Union	470	+10	61	—	3.[illegible]
438	271¼	Eagle Star (50p)	428	+10	24	—	2.[illegible]
280	250	Economic	250	......	45	—	4.[illegible]
230	215	Equity & Law (5p	246	+2	110	—	2.[illegible]
302	210	Excess	237	+7	35	—	3.[illegible]
61	52½	Fenchurch (10p)	67	+1	45	φ	5.[illegible]
69	61¼	Do. "A" (10p)	65	+1	45	φ	5.[illegible]
123	115	Gen. Accident	183	+7	88	—	5.[illegible]
246	167	Guardian Royal	246	+8	32	—	3.[illegible]
132	85⅝	Hammond (L.)	114	−1	420	1.5	4.[illegible]
217	111½	Heath (C.E.)20p	219	......	37	1.5	3.[illegible]
148	76½	Howden(A)(10p)	147	......	48	1.6	8.[illegible]
347	237½	Legal & Gen. 5p	338	+8	185	—	2.[illegible]
420	297½	Leslie & Godwin	418	+2	45	1.8	2.[illegible]
153	113¼	Lon. & Man.(5p)	146	+1	93	—	3.[illegible]
275	207½	Mercury (50p)	237	−1	17	1.5	3.[illegible]
365	215¾	Minet Hldgs20p	360	......	k30	2.5	1.[illegible]
660	400	Orion £1	645	......	22	—	3.[illegible]
262	226¼	Pearl 5p	262	......	200	—	6.[illegible]
276	172½	Phoenix	976	+5	34	—	3.[illegible]
295	190	Price Forbes	290	......	4553	1.6	2.[illegible]
175	125	Providence 'A'	174	−1	28	—	4.[illegible]
174	122½	Do. 'B'	174	+2	28	—	4.[illegible]
180	143	Prudential (5p)	176	......	a64	—	3.[illegible]
184	147	Refuge 'B' 5p	174	......	135	—	3.[illegible]
66	30	Reinsurance	60	−4	10	—	4.[illegible]
404	265	Royal	402	+11	62	—	3.[illegible]

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

TEXTILES—WOOL

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

UTILITIES

OILS

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

TRUSTS, FINANCE, LAND—Continued

TEAS—Continued

Ceylon—

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

COPPER

MISCELLANEOUS

1971 High	1971 Low	Stock	Price	+ or −	Div.	Times covered	Gross yield
7⅞	5	Burma Min. 17½p	6	......	—	—	—
26	17½	Cent. Prov. Mn. 12½p	91	......	In10	φ	10.[illegible]
31	13	Charterhall (5p)	17	+½	—	—	—
[illegible]	[illegible]	Cons. Murch. 10c	415	......	80c	2.1	[illegible]
£79	£73	G. F. Hg. Ind. Db.	£79	......	7	18.0	[illegible]
565	405	Northgate (C$1)	465	......	50c	2.2	4.[illegible]
270	210	R.T.Z.	240	−2	24	1.8	2.[illegible]
235	59	Sabina Mines (C$1)	220	......	—	—	—

For Notes, see Stock Exchange Dealings.

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THE LEX COLUMN

Index rose 5.2 to 413.2

The banks after the interim season

The National Westminster figures pleased with a pre-tax rise of 13 per cent. to £38.2m. comparing with an aggregate 11 per cent. for the big four. At earnings level that means a gain of 25 per cent. and assuming the rate of expansion in advances (about 4 per cent. annually to date) is at least maintained the projection for the year would be perhaps 50p against 40p on 1970's published figures. The prospective p/e of 12½ after a rise of 13p yesterday to 625p is well in line with the sector, and as usual the investment dilemma concerns the sector as a whole—up 87 per cent. so far this year.

There is of course nothing in the average p/e ratio to inhibit the advance at this stage barring any pause now the interim season—though prospective average yield of about 3 per cent. is not enticing—is over. Moreover it is not as if 1971 will have been a year of above average profitability in terms of the interest rate spread with a prospective fall of about 1 point in average Bank Rate. Finally the scope for raising average lending rates to the personal sector has been barely scratched. That leaves two major uncertainties as a break on the share ratings until their outcome is resolved, namely the effect of a breakdown in the cartel and the chance of the development here of the same kind of reluctance to borrow that has weighed down the U.S. banks' profits of late. The latter in particular would imperil the non-U.K. commercial banking business which seems to have been the power house behind the latest batch of profit gains.

See also Page 19

British Match

The 1970-71 outcome for British Match—profits of £5.4m. pre-tax against £6.52m.—looks uninspiring given that the figures for its major problem area, Eddy Match of Canada, have already been published. For while the group's first-half setback of £641,000 conveniently coincided with the Eddy profits slide, a fall of £475,000 in the second six months requires a little more than just the Eddy explanation. The answer is a year-end inventory problem which helped to push down profits from fans by £272,000: in addition, the National Match acquisition came in half way through 1969-70.

So Eddy remains the major prop for current year recovery, with loss elimination hopes confirmed on the building products side. That should be worth £700,000 plus at the trading level: interest charges will be usefully lower after the closure of Grant Industries, and Eddy's first quarter statement has already picked out an improving trend in the other operations with the relatively unimportant exception of office furniture.

Another match price increase in January will help the U.K. after a firm performance in 1970-71: chipboard should be on an improving trend and there are recovery hopes for South America which is already 10 months through its year. So provided a £450,000 increase in printing and packaging profits is maintainable, a 10 to 20 per cent. earnings increase may be a reasonable hope leaving a firm base for the shares on a potential p/e of perhaps 9½ at 155p.

See also Page 19

Dalton Barton

At £820,000, before tax, up 62 per cent., Dalton Barton's profits for the first half are greater than the group produced in the whole of 1969. Still, this pace is too hot to last, and a more useful comparison could be with the £748,000 of the second half of 1970. The implied slowdown is probably a good thing, reducing as it does the need to expand the equity base, which is taken care of for the time being by retentions and the options on 10 per cent. of the equity exercised by three institutions a couple of weeks ago.

In fact the share price, even after yesterday's 12p rise to 362p, is not assuming anything startling for the year: on a reasonable projection of £1.7m. pre-tax, and earnings of 2.7p a share against 2.16p, the prospective p/e is 13.3. The concern, of course, is with the chance of a stickier climate for the smaller financiers—how that the clearing banks have plenty of money to lend—under the Bank of England's new credit control policy when it comes into force.

What Dalton Barton has to offer here is a more personal touch, and although that by definition imposes an eventual size restriction, the limit is probably still a good way off. Meanwhile the group has been increasing its fees from specialised services, it is spreading geographically by branching out of the West End into the City and Glasgow, and it is nursing a portfolio of small unquoted companies which should have some impact in the medium term.

See also Page 19

Chloride

Convertible funding tends to sell deferred equity on a premium, rather than immediate equity on a so-called discount. That makes the investment choice easier for private shareholders with limited funds, and Chloride's new £5½m. 7½ per cent. convertible may be a case in point. The stock was a simple underwriting proposition yesterday with the shares up 5p to 105p against a conversion price of 111p and the yield, for gross funds, comparing with 4.3 per cent. on the equity. But if the nil paid stock holds the premium it should see to-day, private shareholders could well take a small bonus by selling their rights.

This is not a criticism of the convertible as an investment from scratch. Over 95 per cent. of the £10.7m. Thorn 5's were left with the underwriters early in 1969 but since then (and allowing for the income differential) the stock has performed in line with the equity. The point is simply the self evident one that whereas subscription to a rights issue by a third party can improve a current shareholder's rate of return on his investment, the latter cannot raise his return by dint of subscribing himself.

See also Page 18

Weather

U.K. TO-DAY

A weak ridge of high pressure extends across the British Isles from an anti-cyclone centred near the Azores.

E. Anglia and parts of E. England will be cloudy at first, perhaps with rain in places, otherwise much of England, Wales, N. Ireland and W. Scotland will have sunny periods and scattered showers.

London; SE, Cent. S and Cent. N Eng.; Midlands

Rather cloudy at first, scattered thundery showers, bright or sunny spells. Wind variable light. Max. 22C (72F).

E Anglia and E Eng.

Rain in places at first, becoming brighter, but scattered thundery showers later. Wind variable light. Max. 22C (72F).

Channel Isles: SW and NW Eng., Wales; Glasgow

Sunny periods, perhaps a few showers. Wind light variable becoming light SW later. Max. 21C (70F).

Lake Dist.; Isle of Man; SW Scot., Cent. Highlands; Argyll; N Ireland

Sunny periods, perhaps few showers. Wind light variable becoming SW. Max. 18C (64F).

NE Eng.; Borders; E Scot. Edinburgh

Rather cloudy, becoming brighter later. Coastal and hill fog, especially in morning. Wind NE light becoming light variable. Max. 16C (61F).

Dundee; Caithness; NW Scot.

Rather cloudy, perhaps occasional rain or showers. Wind SW light or moderate. Max. 15C (59F).

Outlook: Sunny spells in many places but further rain later especially in the W.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	C	23	73	Manchstr.	C	21	[illegible]
Bahrain	Du	37	99	Melbourne	C	[illegible]	[illegible]
Beirut	F	28	82	Mexico C.	C	29	[illegible]
Belfast	C	17	63	Milan	S	30	[illegible]
Belgrade	S	31	88	Montreal	S	21	[illegible]
Berlin	S	31	88	Moscow	F	23	[illegible]
Birmnghm.	C	20	68	Munich	S	29	[illegible]
Bristol	C	15	64	Newcastle	D	15	[illegible]
Brussels	C	19	66	New York	S	23	[illegible]
Budapest	S	29	84	Oslo	S	20	[illegible]
B. Aires	C	13	55	Paris	C	22	[illegible]
Cairo	S	32	89	Prague	S	31	[illegible]
Cardiff	C	18	64	Reykjavik	R	12	[illegible]
Cologne	C	18	64	Rio de J'o.	S	25	[illegible]
Copnhagn.	S	19	66	Rome	S	30	[illegible]
Dublin	C	18	64	Singapore	C	28	[illegible]
Edinb'rgh	C	13	55	Stockholm	F	22	[illegible]
Frankfurt	S	33	90	Strasbourg	S	31	[illegible]
Geneva	S	30	86	Sydney	C	18	[illegible]
Glasgow	C	15	59	Tehran	S	36	[illegible]
Helsinki	F	20	68	Tel Aviv	S	30	[illegible]
H. Kong	C	29	84	Tokyo	C	25	[illegible]
Jo'burg.	S	18	63	Toronto	S	17	[illegible]
Lisbon	S	24	75	Vienna	S	30	[illegible]
London	C	22	72	Warsaw	S	30	[illegible]
Luxembrg.	S	26	79	Zurich	S	32	[illegible]
Madrid	F	30	86				

HOLIDAY RESORTS

Ajaccio	S	30	86	Istanbul	C	25	[illegible]
Alxndria	F	28	82	Jersey	C	18	[illegible]
Algiers	S	29	84	Las Plms	C	23	[illegible]
Athens	S	29	84	Locarno	S	28	[illegible]
Barcelona	S	27	81	Luxor	S	39	[illegible]
Biarritz	R	20	68	Majorca	S	30	[illegible]
Blackpool	F	15	59	Malaga	S	25	[illegible]
Bordeaux	C	21	70	Malta	S	27	[illegible]
Boulogne	C	21	72	Nairobi	C	19	[illegible]
Casablnca	C	23	73	Naples	S	32	[illegible]
Cape Tn.	S	13	56	Nassau	S	30	[illegible]
Corfu	C	31	88	Nice	S	30	[illegible]
Dubrovnik	S	30	86	Nicosia	S	30	[illegible]
Faro	S	28	82	Oporto	F	20	[illegible]
Florence	S	33	91	Salzburg	S	31	[illegible]
Funchal	C	21	70	St. Moritz	S	24	[illegible]
Gibraltar	S	23	73	Tangier	S	29	[illegible]
Guernsey	R	14	57	Tunis	S	31	[illegible]
Innsbruck	C	29	84	Valencia	S	28	[illegible]
Inverness	C	14	57	Venice	S	31	[illegible]
I. of Man	F	14	57				

S—Sunny. C—Cloudy. R—Rain. F—Fog. D—Drizzle. Sl.—Stormy. Du.—Dust.

Lombard

Getting the U.S. off the $ hook

BY C. GORDON TETHER

ONE METHOD of resolving the problem presented by the world's excess dollars that has much less to commend it than may appear at first sight is that which would involve part-conversion of central bankers' unwanted holdings into Special Drawing Rights or some similar international Monetary Fund asset. For the resulting immobilisation of the liabilities created by past American deficit spending would materially reduce the pressure on the U.S. authorities are now under to take resolute action to establish the American balance of payments on a sound footing and would thereby help to perpetuate the principal basic weakness in the present international monetary set-up.

The moral of the new dollar explosion that culminated in the revaluation of leading European currencies in May and is currently creating serious embarrassments for Japan and some other countries is clear. It is that the long-standing U.S. policy of pressurising the rest of the world to indulge its addiction to perpetual payments deficit by treating dollar accumulations as inconvertible is nearing its effective limits.

Many countries are already deeply concerned about the size of the dollar element in their reserves. And indications that Washington is not in the least prepared to slow down the flow of new dollars in their direction have produced the first signs of revolt.

No urgency

This discovery has caused Washington to start paying lip service rather more energetically than usual to the need for a bigger U.S. export effort as part of a general drive to counter the country's proneness to payments deficit. But there has been no suggestion that the gap would have to be tackled with a sense of urgency. And, indeed, it is only too evident that Washington's main reaction to the crisis has been to start thinking of new ways of getting other countries to provide it with relief.

One manifestation of this is the sudden resurgence of U.S. enthusiasm for the widening of permitted exchange margins, such a development in international exchange practice being calculated to carry an important stage further the devaluation of the dollar which European countries arranged in May. It has also found expression in the agreement concluded with Germany whereby no less than $5,000m. of that country's excess holdings of dollars have been frozen.

There is no difficulty in seeing that nothing could fit in better with this approach to the problem presented by America's perpetual deficit than an arrangement that would permit the off-loading onto the International Monetary Fund of the liabilities represented by central bankers' excess dollars.

The point is that the dollar element in their reserves having been thereby reduced to a very low level or eliminated entirely, central bankers would be much less inclined to resist new inflows of U.S. money than they are at present. And the way would be clear—in a way that it certainly cannot be considered to be now—for Washington to continue with its so-called policy of "benign neglect" for several years more.

U.K. different

Fashionable advocacy of the "internationalisation" of the reserve currency element in the liquidity supply is not, of course, suggesting that this would involve only central bankers' excess holdings of dollars. The idea is that it should also embrace sterling and thereby provide the U.K. with a simple way of meeting the commitment to speed up the phasing out of sterling as a world currency.

But the British case is very different from the American one. Though sterling still constitutes an important proportion of the world's reserve currency liquidity, the U.K. is no longer in a position to exploit the £'s international role.

The U.S., by contrast, continues to do this on a vast scale and shows not the slightest sign of being willing to make the sacrifices necessary to bring the process to an end. As her deficit arises in large measure from investment flows devoted to acquiring other people's assets, other countries clearly have a duty to themselves to look very sceptically at any international monetary "reform" that would serve to perpetuate this situation.

Freight-rate slump hits Britain's shipbuilders

BY JAMES McDONALD

THE FLOW of orders into U.K. shipyards in the second quarter of this year, with one notable exception—Harland and Wolff, Belfast—was at a very low ebb. Apart from such factors as uncertainties over shipbuilding credit earlier this year and the removal of investment grants, the main reason for the drop in orders has been the slump in shipping freight rates.

Statistics published to-day by the Shipbuilders and Repairers National Association confirm the forecast in the Financial Times on April 19. On the surface, the announcement that orders received by British yards in the second quarter, totalling 25 merchant ships of 745,000 gross tons, appears reasonably good against an annual output by the U.K. industry of around 1.3m.-1.4m. tons.

Single contract

But most of this tonnage was accounted for by a single contract placed in April by Shell with Harland and Wolff for five 256,000 deadweight tons supertankers, costing about £75m. On a gross tonnage conversion this accounts for between 650,000 and 700,000 tons of the 745,000 gross tons intake during the quarter, leaving at the most only 100,000 gross tons to be shared between the rest of Britain's shipyards.

The world shipbuilding figures —in the second quarter also show a slowing down in the rate of new orders. This is obviously a result of the slump in dry cargo and tanker freight rates over the past six months coupled with the exceptional rise in operating costs over the past year or more.

The Shipbuilders and Repairers National Association, commenting on its statistics, says: "This change in the situation compared with a year ago is the result of uncertainties over credit in the earlier part of the year, coupled with the effect of the removal of investment grants towards the end of 1970. More recently there has been a significant downward trend in the freight market and the cumulative result of these factors has been the drop in contracting for new ships.

"It is expected that this trend will continue for the rest of the year, but forecasts suggest that in the longer term there will be an overall growth in tonnage requirements."

This is an obvious hope by a shipbuilding industry, whose aims are not necessarily the same as those of shipowners. But the SRNA does point out that even a re-expansion in demand will not necessarily bring better times to yards. "The world's shipbuilding capacity is being expanded and there is little likelihood of any easing of competition."

For this reason, it stresses "it is imperative that the British shipbuilding industry should operate on at least an equal basis to its competitors abroad. While much progress has been made in industrial relations, there is still room for considerable improvement."

Background

"The industry must also be able to rely upon the active support of the Government," declares the SRNA—obviously speaking against the background of shipbuilding's troubles on the Clyde and on the North-East coast.

The intake of new orders in the second quarter brings the total inflow of merchant ship work in the first half of this year to 35 ships of 868,000 gross tons. The industry's total order book (excluding naval work) at the end of June was 305 ships, aggregating 5,154,000 gross tons, valued at £729m. Work for overseas registration (export) accounted for 23.1 per cent. of the total, valued at £164m.

Compared with the past four years the total order book is at a peak, with its 5.2m. tons comparing with 4.7m. tons at the same time last year, with 4.2m. tons in mid-1969, with 2.6m. tons in a mid-1968 and with 1.9m. tons in mid-1967.

Lloyd's Register of Shipping returns of shipbuilding, also published to-day, show that 1,950 merchant ships of 22.2m. gross tons were under construction at the end of June—152,612 tons more than at the end of March. This shows a considerable slowing-down of world shipbuilding construction, even though there is a slight increase over the quarter.

Japan—the world's leading shipbuilder—increased its order book by only about 500,000 tons over the quarter to 32.7m. tons. Sweden ranked second with 6.4m. tons, but this total showed a decline of 584,000 tons over the quarter. France was third with an order book of 5.6m. tons—an infinitesimal increase over the three months of 18,000 tons—and West Germany followed with 5.5m. tons, a rise of only 35,000 tons. The British order book was fifth with 5.4m. tons and a rise of 441,000 tons.

The world shipyard order book, according to Lloyd's Register, now stands at 83.7m. tons, a new record.

Bulk carrier tonnage completed in the last quarter was the highest since December 1967, whilst tanker tonnage launched was the second highest figures recorded, adds Lloyd's Register. Output figures for general cargo tonnage remained high and the prospect of the addition of a further 6½m. tons of conventional tonnage to the world fleet during the next two or three years "cannot be encouraging news to companies severely affected by the currently depressed freight market."

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Hailsham plea for Labour's pro-Marketeers

BY PHILIP RAWSTORNE

LORD HAILSHAM, the Lord Chancellor, continued the Government's offensive against Mr. Wilson's Common Market position with a thinly-veiled attack in the Lords yesterday on his "fake objections" to the terms of entry.

And Lord Robens, former chairman of the National Coal Board, told peers that his pro-Market views had been strengthened by those "whose honour, integrity and honesty could not be impugned by anybody"—Mr. Roy Jenkins, Mr. Michael Stewart, Mr. George Thomson and Lord George-Brown.

Lord Hailsham opened the second day of the Lords debate by appealing to the Labour Party: "Let them not punish their pro-Marketeers or turn this into a party battle."

But within a few minutes he was rousing Labour protests with some oblique references to Mr. Wilson and leading Labour anti-Marketeers.

"Personal honour"

Nobody who had served in any Government that had applied for entry into the EEC could now say he was against entry in principle and retain "a spark of political credibility," said Lord Hailsham. "I doubt whether if I answered in the negative I could retain a shred of personal honour."

No honourable man could have entered negotiations intending to back out. "Nor can it be the act of an honourable man to take up some objections to the terms as a means of avoiding the decision once made on the question of principle."

Accused by Lord Shackleton of "casting aspersions on the honour of certain members of the Commons," Lord Hailsham retorted: "I am casting no aspersions on anyone except to say that if I answered the question in the negative having allowed these negotiations to go forward, I would regard myself as devoid of political credibility and even of personal honour.

"Let each man be his own judge . . . let us not engage in personalities. I have not. I have spoken of my own honour and my own opinion.

"There comes a time for parties and statesmen to adopt decisions because they believe them to be right not because they believe their reaction may bring temporary political advantage."

Robens' speech

Lord Robens, making his maiden speech, said the coal and steel industries had "no cause for concern whatever" about EEC membership and he regretted the unions' opposition to entry.

"My judgment is that these are about the best terms you could get and merely pretending you can leave it for another year I do not believe is a possibility."

He had been fortified in this belief by Mr. Jenkins, Mr. Stewart, Mr. Thomson and Lord George-Brown.

To-day Mr. Wilson gives his formal verdict on the entry terms to Labour's National Executive Committee, and in the evening he will be questioned about it in an interview on Independent Television News.

Labour politicians calculate that the executive will carry a resolution rejecting the terms—perhaps by as much as 14 votes to six, with Mr. Roy Jenkins leading the pro-Market faction. Several trade union pro-Marketeers will be absent.

Yesterday afternoon Mr. Wilson and Transport House officials had not yet drafted an official motion, but anti-Marketeers had submitted two proposals of their own. It is expected that the final version will briefly state the executive's reasons for rejecting the terms and call for a General Election.

Although the Left Wing will try at some time to persuade the party to adopt a policy statement that the next Labour Government should pull Britain out of the EEC, it is doubtful whether a serious move in this direction will be made to-day.

The Prime Minister told the Commons yesterday that he intends to make a number of major speeches on the entry terms in visits to various parts of the country, including the development areas. Mr. Heath's visits will take place mainly in September and October. He has already made plans to go to Scotland on September 6.

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Parliamentary report Page 8

Prices: CBI plea to unions

BY DAVID WALKER

A NEW warning that the Confederation of British Industry's bid for a year of voluntary price restraint can be successful only with reciprocal action from trade unions was issued yesterday by Sir John Partridge, CBI president.

Sir John was speaking on the BBC programme, The World at One, on the day that the CBI's 200 biggest private sector members were formally asked to sign a firm commitment to peg price rises to 5 per cent. ceiling over the next 12 months.

He re-affirmed his belief that such a move could be "very helpful" in bringing the U.K. out of its current inflationary spiral. It was not just window dressing.

"Five per cent. is, we hope, for a large number of companies something that they can get by with as a maximum," he said. At the same time, there were two provisos.

First, there had to be some greater degree of growth in the economy. Steps in that direction had been taken by the Government.

"Second, we look for a counterpart from the trade unions in recognising that more moderate pay claims and more moderate wage settlements will really be a condition for this thing working.

"I am hopeful that this atmosphere of price restraint will spread throughout British industry in the course of the next year provided those two conditions are satisfied." Sir John stated.

Referring to Chrysler U.K. and Vauxhall Motors, which had not yet decided whether to follow British Leyland and Ford Motor in expressing their intention of signing the undertaking, he said he was hoping for their decisions in the next two or three days.

"I don't blame them for taking a little while to make up their minds," Sir John said. He added that he expected that vehicle components makers would "take into account this initiative of ours in their own pricing policy."

In the Commons, Mr. Anthony Barber, Chancellor of the Exchequer, welcomed the CBI initiative and the nationalised industries response on price restraint.

Answering criticism of the effects of a 5 per cent. price rise ceiling on the nationalised industries, Mr. Barber admitted that additional demands on the National Loans Fund would be one result.

At the same time, he maintained, last week's mini-Budget would bring them increased output and turnover, and they would also benefit from pay increases at a lower rate than would have been likely if price rises were not pegged.

Legal technicalities which could have blocked the CBI proposals are being forced Mr. John Davies, Secretary for Trade and Industry, to make an Order exempting signatories to the CBI undertaking from part of the Restrictive Trade Practices Acts. This restricts companies from acting in agreement to prevent or restrict higher prices.

The memorandum from Sir John Partridge and Mr. Campbell Adamson, director general of the CBI, received along with the undertaking by most CBI members yesterday reveals companies signing will be protected. At the same time, their names, and those of trade associations making recommendations, have to be lodged with the Registrar of Restrictive Practices, where they will be open to public inspection.

The undertaking lays somewhat more emphasis than the draft published 12 days ago on the problems arising from raw materials price changes. "Where such costs are a major proportion of total costs, it is impossible to undertake not to reflect them in prices," notes to the undertaking point out.

"This particularly applies to edible materials which are the basic commodity of food manufacturers, to various metals, and other raw materials."

Parliament, Page 8

CBI document, Page 10

Drakes bids £3.6m. for Norvic shoe group

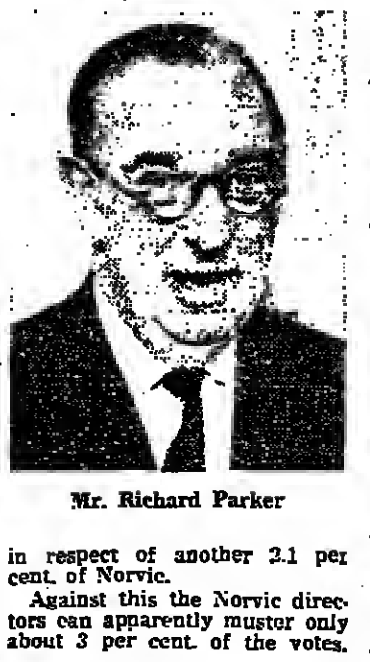
BY KENNETH GOODING

A £3.6M. BID for Norvic, the Norwich-based concern which makes and sells shoes all over the world, was announced last night and seems likely to receive a very cool reception from the directors.

For the bid comes from Drakes, the investment concern whose chief executive is 27-year-old Mr. Christopher Selmes and which has in the past specialised in breaking up acquired companies and selling the individual pieces for a total profit.

It is by far the biggest takeover yet attempted by Mr. Selmes who has only recently put the finishing touches to a streamlining operation of his group.

He starts the Norvic battle from a position of strength because Drakes itself was nursing a 9.9 per cent. stake and yesterday bought a further 10 per cent. from the banking group Dalton Barton. An associate of Drakes will also accept in respect of another 2.1 per cent. of Norvic.



Mr. Richard Parker

Against this the Norvic directors can apparently muster only about 3 per cent. of the votes.

Drakes is offering a mixture of shares and stock which value each Norvic Ordinary at 49p compared with a market price of 53p last night following a 3p rise on the day.

A spokesman at Samuel Montagu, advisers to Drakes, admitted this was a "shot in the dark" as Drakes had no up-to-date information on Norvic's current trading or about individual property assets.

Following losses some years ago the present Norvic management team, headed by the chairman, Mr. Richard Parker, has had some success in reshaping the group and bringing up the profits. The last balance sheet, published almost a year ago, also showed a strong underlying asset position with net assets worth 72p a share.

The offer will be of £2.50 nominal of 10½ per cent. partly convertible unsecured loan stock 1995 of Drakes (last night standing at 120p) plus one Drakes Ordinary share—worth 190p—for every ten Norvic Ordinary.

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Travel inquiry

which 100 passengers were sent home in the middle of its first voyage and several hundred more had their fares refunded. On the second cruise the Press Association reported complaints about inefficient lavatories, flooding, inefficient air conditioning and litter.

"Many clients have volunteered to comment most favourably on the cruise to us if required," said Clarksons' director Mr. Colin Collins.

Clarksons said the only advertised feature which was missing was the discotheque.

The Association of British Travel Agents' commission will have the power to examine Press reports as well as take evidence from any other source it chooses.

"However," says ABTA, "it is emphasised that we cannot accept that recent problems have been mainly the fault of our members. We have compiled a dossier of evidence for the Director-General of the Spanish National Tourist Office, who has agreed to meet our delegation to prove that a few hoteliers have been guilty of flagrant over-booking.

"The British public can be assured that if anybody—an ABTA member, a hotelier, a carrier, or a tourist office—knowingly allows even one person's holiday to be ruined ABTA will not shirk from its responsibilities."

Approaching 3m. people will go on package tours this year from Britain, probably 2m. of them to Spain. Clarksons alone has 41,000 in Spain on any one night at this time of the year. "I doubt if more than 350 of those have been affected by any problems this week," said a Clarksons spokesman last night.

Complaints ratios in the travel business vary from around 1 per cent. upwards. This year the tour operators have been expressing concern that complaints have been exaggerated in newspaper reports, and they have already complained to the Press Council.